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Governance and Socioeconomic Development in Zambia: an analysis of survey data and development indicators

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COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signature..... Date.....

ABSTRACT

This study set out to establish statistical relationships between matters relating to governance and changes in Zambia's socioeconomic development. With the aid of survey data compiled by the World Bank's Worldwide Governance Indicators, and perceptions of governance amongst Zambian citizens obtained from Round 5 of the Afrobarometer survey, this study used quantitative research methods to investigate the performance of indicators of governance in Zambia between 1996 and 2012 and the perceptions that Zambians had toward matters relating to governance. The indicators and perceptions of governance were based on measures of Control of Corruption, Government Effectiveness, Rule of Law and Voice and Accountability.

The study further addressed the changes in Zambia's socioeconomic development by investigating trends in Zambia's Human Development Index between 1996 and 2012. The study also established the extent of lived poverty in Zambia by addressing how Zambians rated their living conditions based on how much access they had to essential commodities such as food, cooking fuel, water and cash income.

Using SPSS, this study calculated the correlations between the measures of governance and the measures of socioeconomic development. The evidence shows that indicators and perceptions of governance are associated with changes in measures of socioeconomic development in Zambia. The evidence, as well as an analysis of political and economic reforms in Zambia, made it possible to conclude that for Zambians to have better perceptions about their living conditions there is need for strong democratic systems and institutions. These should be accompanied by effective political leadership that can address social and economic concerns and reform institutions charged with combating corruption and upholding the rule of law.

This study determined that WGI data was subjective and needed to be used with caution. Despite this, the study found that when used in conjunction with data on perceptions of governance amongst Zambian citizens, it was possible to determine that matters related to political governance were crucial to socioeconomic development in Zambia. Therefore, the study concluded that the roles played by institutions such as the World Bank and NEPAD were crucial

for ensuring that the political leadership was held accountable to promoting good governance and socioeconomic development in Zambia.

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ABBREVIATIONS

AIDS	Acquired Immuno-deficiency Syndrome
EA	Enumeration Area
GDP	Gross Domestic Product
GNI	Gross National Income
HDI	Human Development Index
HDR	Human Development Report
HIPC	Highly Indebted Poor Countries Initiative
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
LPI	Lived Poverty Index
MMD	Movement for Multiparty Democracy
MS	Microsoft
NEPAD	New Partnership for Africa's Development
OLS	Ordinary Least Squares
SAP	Structural Adjustment Programme
SPSS	Statistical Package for Social Sciences
UNIP	United National Independence Party
UNDP	United Nations Development Programme
WGI	Worldwide Governance Indicators
ZHDR	Zambia Human Development Report

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CHAPTER 1

INTRODUCTION

1.1 Introduction to the study

In the early 1990s, the Zambian government implemented IMF and World Bank driven Structural Adjustment Programmes which were aimed at stabilising and restructuring the economy, and at stimulating growth after close to two decades of continuous economic decline (Whitworth, 2013: 25). By 2011, Zambia's macroeconomic fundamentals had never been in "better shape" (Whitworth, 2013: 31). GDP grew by over 75 per cent between 2002 and 2011, and the poverty headcount fell from 68.1 per cent in 1996 to 59.3 per cent in 2006 while extreme poverty declined from 44.5 per cent to 36.5 per cent over the same period (Whitworth, 2013). Despite this, the period between 1992 and 2011 has also been associated with alleged increases in corruption, increasing inequality, lack of employment opportunities and a slow pace in the reduction of poverty in Zambia (Whitworth, 2013: 31).

For many decades, efforts have been made to address the myriad social and economic challenges not only in Zambia but in Africa at large. It has also been recognised that addressing the problems in Africa requires an understanding of the factors that contribute to the continent's challenges. In the last five decades, Africa's problems have been attributed to various factors such as the effects of colonialism, neo-imperialism, poor geographic conditions, widespread conflict and aid dependence among others.

In more recent times, some analysts have argued that the problems of poverty and underdevelopment on the African continent are due to matters related to governance such as poor policies, corruption, lack of state capacity and poor political leadership (Acemoglu and Robinson, 2012; Herbst and Mills, 2012; Mills, 2010). Multilateral institutions such as the World Bank have also been advocating for the adoption of good governance principles as a prerequisite for development in poor countries since the start of the 1990s. These calls have their origins in the analyses of Burnside and Dollar who explained that development assistance would

be effective only in countries that had adopted good governance and good policies (Hout, 2010: 2).

It is possible, therefore, that aspects of governance may be associated with socioeconomic development in Zambia. However, no study has yet confirmed this.

1.2 Statement of the problem

Recent studies have found that factors related to governance such as corruption can impact negatively on human development (Ackay, 2006; Gupta et al, 2000). Other studies have found that the effectiveness of governments and the policies they pursue contribute to economic growth and human development outcomes (Hutchinson and Schumacher, 1995; Kaufmann and Kraay, 2002). Establishing whether these and other factors related to governance are associated with Zambia's socioeconomic development can only be ascertained by research.

The continuous calls by institutions such as the IMF, World Bank, United Nations and NEPAD for poor countries to adopt good governance also inspired this study to address the claim that governance was central to attaining development. Further, this study was also interested in learning the perceptions that Zambians had toward matters relating to governance and their living conditions.

Therefore, this study aimed to establish statistical relationships between matters relating to Zambia's governance and socioeconomic development. This involved investigating the changes in indicators of matters concerning governance and of human development, and the perceptions of citizens about matters concerning governance and their living conditions. This was followed by establishing the correlations between the measures of governance and of socioeconomic development.

1.3 Motivation for the study

This study was motivated by the works of Acemoglu and Robinson (2012), Herbst and Mills (2012), Mbeki (2009) and Mills (2010) who have made compelling arguments blaming Africa's poverty and underdevelopment on corrupt and inefficient political leadership and weak state

institutions. Particularly, these authors have demonstrated that the inability for political leaders on the African continent to transform underperforming institutions, to diversify economies and adopt sound economic policies has in large part contributed to the high incidence of poverty and inequality, a high disease burden, and unemployment in Africa.

These arguments appeared to explain why Zambia remains beset with social and economic challenges. Therefore, addressing the extent to which statistics measuring matters relating to governance are associated with measures of socioeconomic development served as a means through which the impact of political leadership on Africa's development could be investigated. It further served as a means to confirm whether the arguments made by the authors referred to above could be used to explain Zambia's socioeconomic problems. The findings of this study could prove useful to individuals and institutions concerned with not only understanding factors associated with Zambia's social and economic challenges but that are also interested in addressing matters related to governance in an effort to effect positive socioeconomic development outcomes.

The choice of Zambia as a country of focus was motivated by the fact that as a Zambian, I was interested in understanding why the country remained poor despite having had one of the best performing economies in Africa during the 1960s. Also, given that Zambia is an aid recipient country, this study could bring attention to important factors relating to governance that need to be addressed to ensure the effective use of aid and the attainment of socioeconomic development.

1.4 Research Questions

This research sets out to address the following question: Are perceptions and indicators of governance associated with measures of socioeconomic development in Zambia?

To answer the general research question required answers to the following specific questions:

1. What has been the performance of indicators of governance in Zambia?
2. What have been the changes in Zambia's HDI?
3. What perceptions do Zambian citizens have about governance in their country?

4. How do Zambians rate their present living conditions?
5. Are changes in indicators of governance associated with changes in HDI in Zambia?
6. What is the association between citizens' perceptions about governance and the Lived Poverty Index in Zambia?

1.5 Conceptualisation of the problem

This study used indicators of governance obtained from the Worldwide Governance Indicators for the years 1996 to 2012 and the 2012 Afrobarometer survey. It also used UNDP and Afrobarometer indicators of socioeconomic development. The indicators were useful for understanding the association between trends in indicators of governance and of socioeconomic development at country level while also understanding the perceptions of Zambian citizens regarding matters relating to governance and their living conditions.

Therefore, central to meeting the objectives of this research were the following terms and concepts: "governance", "control of corruption", "government effectiveness", "rule of law", "voice and accountability" and "socioeconomic development". These terms and concepts are defined below.

1.5.1 Governance

The term "governance" is very broad and has been subjected to various interpretations. This study relies heavily on the Worldwide Governance Indicators (WGI) developed by Kaufmann et al (2010) and therefore also adopts the definition of governance they provided. Kaufmann et al defined governance as the traditions and institutions by which authority in a country is exercised (Kaufmann et al 2010: 4). This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann et al 2010: 4). Kaufmann et al (2010) took on this definition in an attempt to embrace existing notions of governance that also permitted the construction of indicators of governance that this study uses and describes below.

1.5.2 Control of Corruption

The WGI measure Control of Corruption by collecting perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests (Kaufmann et al, 2009: 6). This study also investigated the perceptions that Zambians had about the existence of corruption in public institutions and amongst public officials.

1.5.3 Government Effectiveness

The WGI measure Government Effectiveness by gathering perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies (Kaufmann et al, 2009: 6). In addition to this, the study investigated the perceptions that Zambians had about the effectiveness of the government in handling a range of social and economic matters.

1.5.4 Rule of Law

The WGI measure Rule of Law by capturing perceptions of the extent to which citizens have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence (Kaufmann et al, 2009: 6). The levels of trust that Zambians had with institutions charged with upholding the Rule of Law were also investigated.

1.5.5 Voice and Accountability

The WGI measure Voice and Accountability by gathering perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media (Kaufmann et al 2009: 6).

While the measure of Voice and Accountability provided by the WGI takes into account both measures of freedom and democratic performance, Afrobarometer survey data, which is used in this research to capture Zambian citizens' perceptions on matters pertaining to governance and living conditions, provides information on democratic satisfaction and on freedoms that could not be combined to compute a variable using factor analysis. Taking this perspective, in

computing a variable for Voice and Accountability, this research focused solely on question items in the Afrobarometer dataset that collected perceptions on democratic satisfaction.

1.5.6 Socioeconomic development

In this study, socioeconomic development was used to refer to both social and economic factors related to development such as education, health, income and essential commodities such as food, water and cooking fuel. This is opposed to other measures of development that place emphasis on economic factors only such as GDP. This study also aimed to understand changes in indicators of socioeconomic development at a country level while also understanding how Zambian citizens experienced poverty. It follows, therefore, that the Human Development Index (HDI) and the Lived Poverty Index were used as measures of socioeconomic development. The study was influenced by Sen's capability approach to development. For this reason, socioeconomic development was conceptualized as a form of development that took into account the quality of life, the freedoms that people enjoyed to live the kind of lives they desired, as well as the capabilities they possessed to avoid premature mortality, significant undernourishment, persistent morbidity and widespread illiteracy among others (Robeyns, 2005; Sen, 1999).

This chapter has provided the background that underpins this study. The chapter has also highlighted the surveys and indicators that will be used to establish statistical relationships between matters relating to governance and socioeconomic development.

CHAPTER 2

LITERATURE REVIEW

2.1 General Debate on Governance and Development

Studies such as Kaufmann et al (2009) have established that matters concerning governance contribute to changes in development. Other studies such as Gupta et al (2000) have found that measures relating to governance were strongly correlated to measures of socioeconomic development but did not establish causality between governance and development. This position is largely motivated by the lack of consensus within literature on whether changes in matters relating to governance lead to changes in development or whether causality runs in the opposite direction.

On the contrary, there are debates that question whether governance is necessary for development at all. Goldsmith (2007) shows with evidence from the United States of America (when it was a developing country), Argentina, Jamaica and Mauritius that governance reform may not necessarily be a catalyst for development. The evidence from the four countries shows that governance reform can be a result of economic growth and rapid development rather than a cause (Goldsmith, 2007). Provided conditions exist for an upsurge in production and income, economic growth can be achieved which can in turn trigger demands by an emerging middle class for strong anti-corruption measures and a meritocratic civil service which have the effect of promoting institutions that reform governance.

Acemoglu and Robinson (2008) also contributed to the governance debate and have stated that while statistical evidence may exist confirming the importance of governance to development, this cannot be said to be true for all countries. Acemoglu and Robinson (2008) provided statistical analysis showing that reforming institutions of governance does not always translate into positive socioeconomic outcomes. In Latin America for example, there were sustained economic gains in some countries despite them having alternated between democracies and dictatorships over a period of several decades (Acemoglu and Robinson, 2008). The statistical analysis provided by Acemoglu and Robinson (2008) showed that when taken as a whole, there

was no clear trend in Latin America to suggest that good governance was responsible for economic performance. Rather, the evidence differed from one country to the next making it difficult to conclude that governance was indeed responsible or even associated to changes in development.

While the debate above has focused on the importance of governance to development, this chapter engages with literature that discusses the association between measures relating to governance and measures of socioeconomic development. The literature review that follows also recognises the debates on causality between measures of governance and of socioeconomic development. This chapter also discusses definitions and methodological issues relating to each of the indicators. This study takes into account that there are varying definitions for factors associated with governance and as such the manner in which measures relating to governance are conceived and calculated could have an influence on statistical results. This was a concern with the Worldwide Governance Indicators that have come under considerable scrutiny in recent years.

Since the study employs HDI and Lived Poverty Index as measures for socioeconomic development, the literature reviewed discusses the findings from studies that have investigated the relationship between matters concerning governance on the one hand and constituent indicators of the two measures such as education, health, income and food on the other. The chapter also discusses literature on the association between matters concerning governance and HDI as a composite index. The LPI was developed relatively recently and there is hardly any literature on the association between governance indicators and LPI as a composite index.

2.2 Corruption and Socioeconomic Development

This section discusses the relationship between measures relating to corruption and measures of socioeconomic development. To discuss this relationship, this section engages with literature that addresses the relationship between corruption and HDI as a composite measure, and also engages with works that address the relationship between corruption and indicators of education, health and income.

2.2.1 Definitional and methodological debates on Corruption

This study is concerned with understanding the relationship between corruption in the public sector and development. This concern is informed by the fact that this study is interested in addressing the association between political governance and socioeconomic development. Accordingly, the study focuses on corruption as it relates to the role of governments and state institutions.

In defining corruption, Gupta et al (1998) note that corruption occurs when: "government officials use their authority for private gain in designing and implementing policies". This suggests that corruption has the effect of distorting the allocation of government resources, with possible consequences for the most marginalised citizens who tend to be more dependent on receiving support from the state through the provision of public services such as education and healthcare.

Ackay (2006) also notes that: "corruption is a symptom of deep institutional weaknesses and leads to inefficient economic, social, and political outcomes". The argument Ackay (2006) makes indicates that corruption has a negative impact on matters such as economic growth and poverty reduction. In this way, corruption can precipitate inequalities in income distribution, lead to increases in child and mortality rates, and contribute to increased poverty (Ackay, 2006: 40). For these reasons, corruption is largely associated with adverse economic outcomes and it is no surprise that advocates of "good governance" regard corruption as one factor that militates against the effective use of aid. By extension, this also gives credibility to the view that corruption engenders poverty and underdevelopment.

Even though the link between corruption and development appears to be clear, realizing that most measures of corruption are based on perceptions rather than actual measurements of corruption can be viewed as a challenge that this study needs to take caution of. Kaufmann et al (2009) have shown in their report that their composite indicator of Control of Corruption is based on perceptions about corruption collected from experts and household surveys. The implication is that any statistical analysis between corruption and development will be based on perceptions about corruption regardless of whether the perceptions accurately reflect the reality of corruption or not. Notwithstanding the methodological debates relating to corruption, the next section

reviews literature that addresses the relationship between measures of corruption and of socioeconomic development.

2.2.2 Relationship between Measures of Corruption and Measures of Socioeconomic Development

To investigate the relationship between corruption and development requires an understanding of whether corruption retards development as has been suggested by advocates of "good governance." Addressing this problem, Ackay (2006: 46) in a quantitative study of 63 countries aimed to establish the impact of corruption on human development. By using the urbanization rate, economic freedom, democracy, and corruption as independent variables (as well as functions of human development), and the 1998 HDI as a dependent variable, Ackay ran a series of regression tests. In an attempt to measure the strength of the relationship between corruption and human development, Ackay (2006) ran three regression analyses each with a different measure of corruption. The three measures were the Corruption Perception Index (CPI) compiled by Transparency International (TI), International Country Risk Guide's (ICRG) corruption index compiled by Political Risk Services (PRS), and the WGI corruption index constructed by Kaufmann, Kraay, and Mastruzzi (2003) (Ackay, 2006: 36). In all three regression tests, Ackay found negative and statistically significant coefficient estimates suggesting that highly corrupt countries tended to have low levels of human development. In the first test, Ackay found that a one point increase in the corruption index reduced human development by 0.013 points, while one point increases in the second and third corruption indices led to reductions in human development by 0.048 and 0.041 points, respectively (Ackay, 2006: 44).

The finding that corruption retards human development can be explained by understanding that human development encompasses elements of education, health and income. In any country, the provision of education and health services requires financial spending which in most cases is provided by the state. Corruption by public officials therefore has the effect of diverting the financial resources meant for social programmes resulting in poor access to education and healthcare services by the affected citizens. To gain a further understanding of the relationship between corruption and education, health and income, this chapter turns to literature that addresses these debates specifically.

Gupta et al (2000) tested the relationship between corruption and government service provision for a group of 71 countries. The results of this study showed a strong negative correlation between corruption and service provision (Gupta et al, 2000). The correlation coefficients ran from -0.59 to -0.66 and show that countries with less corruption had better quality of healthcare and more efficient public services (Gupta et al, 2000: 9).

In a statistical analysis similar to the above, Gupta et al (2000) tested the relationship between corruption and child mortality. The analysis involved a simple regression of the child mortality rate on a constant, the index of corruption, and the indicator of quality of healthcare provision for 62 countries. The results show that corruption led to increases in child and infant mortality rates, and also increases in the percentage of low-birth weight babies in total births (Gupta et al, 2000: 9). Similar analyses on education show that corruption was also associated with increased dropout rates in primary school (Gupta et al, 2000).

Recognizing that HDI also encompasses a measure of income, it is useful to address the association between corruption and matters relating to citizens' access to income. Attempts have been made to address this concern by investigating the relationship between corruption on one hand and income inequality and poverty on the other.

With the aid of statistical analysis, Gupta et al (1998) investigated the relationship between corruption and income inequality. The analysis was anchored on the Atkinson (1997) empirical model of inequality[1]. The model of income inequality was based on cross country data for the period 1980 to 1997 obtained from the World Bank's 1997 World Development Report. The results of the income inequality regression show that corruption was associated with higher income inequality at the one percent level of significance (Gupta et al, 1998). A worsening in the

[1] The model specifies the personal distribution of income in terms of factor endowments, distribution of factors of production, and government spending on social programmes. Specifically, the gini coefficient is assumed to depend on the following variables: Initial distribution of assets (the initial gini coefficient for land ownership); Education inequality (percent of adult population with no schooling expressed as a fraction or percent of adult population with completed secondary and higher education); Education stock or educational attainment (average years of secondary education in population aged 15 and over); Capital stock to GDP ratio; Natural resource endowment (share of natural resources in total exports); Corruption (various corruption indices); Social spending (various spending measures relative to GDP); as well as an expenditure dummy, a recipient dummy and a net income dummy (Gupta et al 1998: pp8-9).

corruption index of a country by one standard deviation (2.52 points on a scale of 0 to 10) was associated with an increase in the Gini coefficient of about 4.4 points (Gupta et al, 1998: 14).

A similar regression model[2] was designed to test the relationship between corruption and poverty. The results show that higher growth in corruption was associated with lower income growth for the poor. The results further show that a one standard deviation increase in the growth rate of corruption (a deterioration of 0.78 percentage points) led to a reduction in income growth of the bottom 20 percent of the population by 7.8 percentage points per year (Gupta et al, 1998: 21).

In light of their findings, Gupta et al (1998) posited that: "corruption interferes with the traditional core functions of government: allocation of resources, stabilization of the economy, and redistribution of income". They also stated that the traditional functions of the government influenced income distribution and poverty in varying degrees, both directly and indirectly (Gupta et al, 1998).

The foregoing analysis of literature provides evidence of statistical relationships between measures of corruption and of socioeconomic development. The literature not only shows evidence of association between the two variables but also shows that measures of corruption contribute to changes in measures of socioeconomic development.

2.3 Government Effectiveness and Socioeconomic Development

Kaufmann and Kraay (2002) have established that Government Effectiveness is positively correlated with per capita income. Regression results for 144 countries where five measures of governance, including Government Effectiveness were used as independent variables and in which per capita GDP was used as the dependent variable show that countries with better governance generally had higher levels of per capita income. The results suggest that the effectiveness of governments is central to attaining higher economic growth rates. This section reviews literature that addresses the relationship between Government Effectiveness and not only

[2] The regression contained the following variables: a constant, natural resource abundance, initial income of the poor, initial secondary schooling, and growth in corruption. The three remaining variables are education inequality, initial Gini coefficient for land and social spending (Gupta et al, 1998: 14).

income, but other measures that are relevant to socioeconomic development as well. Before doing that however, the section discusses definitional and methodological issues pertaining to Government Effectiveness.

2.3.1 Definitional and methodological debates on Government Effectiveness

Debates regarding Government Effectiveness are rooted in the belief that governments are central to improving human well-being and achieving economic growth (Hutchinson and Schumacher, 1995). According to the UNDP, which has promoted the concept of human development since the early 1990s, it is the responsibility of the government sector to ensure personal and national security as well as to provide physical and social infrastructure (Hutchinson and Schumacher, 1995: 251). The UNDP also contends that the government sector should have oversight in redistributing income to the poor, encouraging the creation of productive, remunerative, and satisfying employment and promoting people-centered development (Hutchinson and Schumacher, 1995: 251).

Despite the fact that neoliberals and advocates of people centered development emphasize a reduced role for the state in favour of the markets and bottom-up development from communities respectively, the effectiveness of the state is still considered to be crucial for attaining improved economic outcomes and better living conditions. However, within the literature on governance, there is no consensus on what is meant by "effectiveness".

Sacks and Levi (2010) define an effective government as: "one that is capable of protecting the population from violence while ensuring the honesty and competence of its bureaucracy and enabling the provision and maintenance of infrastructure that makes possible the exchange of goods and delivery of services". From this definition, it is evident that for governments to be effective, they should be able to protect citizens, deliver public services and manage economic affairs.

To measure Government Effectiveness, Kaufmann and Kraay (2002: 6) "combine perceptions of the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies". The main focus of this index is on the inputs required for

the government to be able to produce and implement good policies and deliver public goods (Kaufmann and Kraay, 2002: 6).

The measure adopted by Kaufmann and Kraay (2002) differs from other measures of Government Effectiveness that have been adopted elsewhere. For example, Putnam (cited by Lee and Whitford, 2009) identified three dimensions of government performance: "policy processes, which include cabinet stability, budget promptness, and statistical and information services; policy pronouncements such as reform legislation and legislative innovation; and policy implementation, including, for example, industrial policy instruments, agricultural spending capacity, local health unit expenditures, housing and urban development, and bureaucratic responsiveness". To a large extent, the difference between the two measures of Government Effectiveness is that the former focuses more on the results of the governments' handling of matters while the latter focuses more on the processes and policies adopted by governments. Lee and Whitford (2009: 250) describe Putnam's dimension of Government Effectiveness as one that focuses on measuring capacity more than performance. For this reason, Kaufmann and Kraay (2002) offer a more useful measure of Government Effectiveness owing to the fact that they focus on performance. Focusing on performance is useful for this study because it makes it possible to address the performance of governments in relation to their handling of matters that concern socioeconomic development.

Even then, the measurement of Government Effectiveness offered by Kaufmann and Kraay (2002) has some limitations. It has been argued that Kaufmann and Kraay (2002) base their measure on perceptions of Government Effectiveness and not the actual effectiveness of governments (Langbein and Knack, 2010). In response to this, Kaufmann et al (2010) argue that perceptions matter because respondents base their actions on perceptions, impressions and views. This is significant when trying to measure the performance of a government because it is expected, at least in a liberal democracy that governments respond to how citizens rate their performance even when such ratings are subjective. Nevertheless, Kaufmann et al (2010) acknowledge that there are imprecisions in relying on subjective measurements of Government Effectiveness, which they attempt to address by highlighting the margins of error in their indices. In defence of subjective measures, Lee and Whitford (2009: 254) also note that measures of

perceived organizational performance are often correlated with objective measures of organizational performance.

In light of the above, it is necessary to be cautious of the fact that some indicators of Government Effectiveness are based on measuring actual performance while others are based on perceptions. This becomes important particularly when interpreting the findings on the effectiveness of governments.

2.3.2 Relationship between Measures of Government Effectiveness and Measures of Socioeconomic Development

To test the relationship between Government Effectiveness and human development, Hutchinson and Schumacher (1995: 257) conducted a study of thirty-five less developed countries based on data availability on various government spending categories from 1972 to 1988 and HDI. The study used pooled OLS regressions to estimate the relationship between four independent variables: growth in per capita investment; government spending on public goods[3]; government spending on merit goods[4]; and government spending on economic goods[5] and the growth rate of the human development index as a dependant variable. The regression results show that government expenditures on public, merit and economic goods made a statistically significant positive contribution to human development growth (Hutchinson and Schumacher, 1995: 258).

It is worth noting that the measure of Government Effectiveness used by Hutchinson and Schumacher (1995) is an objective measure as it was based on the actual performance of the governments with respect to their spending on various types of goods. That government spending on merit goods such as education and health led to improved human well-being could be attributed to the fact that education and health are both associated with access to opportunities that lead to the expansion of human capabilities and improved living conditions.

In another study, Sacks and Levi (2010: 2326) tested a model that described how individuals' experiences with government activities had consequences for their social welfare. Sacks and Levi (2010: 2326) used third round Afrobarometer data to investigate whether the level of

[3] Public goods include general administration, order and safety, defence and road safety.
[4] Merit goods denote education, health, community affairs, culture, recreation and religion.
[5] The economic goods category is defined as in the IMFs Finance Government Finance Statistics excluding road transport which is included in the public goods category.

infrastructure development, the nature of the bureaucracy and the quality of law enforcement explained a significant amount of variation in individuals' food security beyond an individual's and country's wealth endowments. The study was based on interviews with 25,397 respondents across 18 African countries (Sacks and Levi, 2010: 2332). Measures of civil bureaucracy[6], law and order, and physical infrastructure, obtained from Afrobarometer survey data were used as independent variables. The dependent variable used in the study was based on whether an individual and his or her household members had enjoyed high levels of food security within the year preceding the survey[7].

The results show that living in a district where it was easy to obtain household services corresponded to an increase of 9 percentage points in the probability of enjoying high levels of food security (Sacks and Levi, 2010: 2340). Further, the probability of experiencing food security was 0.58 for individuals who lived in neighborhoods that lacked basic infrastructure while living in a district with infrastructure translated into a 0.67 probability that respondents and household members did not go hungry (Sacks and Levi, 2010: 2340). Sacks and Levi (2010: 2345) noted that their findings were consistent with recent studies that had found strong correlations between the quality of government on one hand and economic and social outcomes on the other hand.

In view of the above, the literature reviewed demonstrates that food security is positively associated with easy access to social services and the provision of infrastructure. Because the provision of social services and infrastructure is primarily the reserve of governments, it is reasonable to conclude that the effectiveness of governments in the 18 countries contributed to food security and to ameliorating living conditions.

[6] Three items from the Afrobarometer were selected to capture the extent to which the bureaucracy has penetrated the country and the extent to which the bureaucracy is competent: (1. the ease or difficulty individuals face in getting identity documents (such as a birth certificate, voter card, passport or driver's license); (2. the availability of places in primary school for their children; (3. and access to household services (i.e., piped water or electricity)).

[7] Access to food is measured by answers to the question "Over the past year, how often, if ever, have you or your family gone without enough food to eat?" (Sacks and Levi, 2010: 2334).

2.4 Rule of Law and Socioeconomic Development

The Worldwide Governance Indicators identify three areas that constitute governance. Of these, the third area of governance relates to the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann et al 2010). It is to this area of governance that the rule of law belongs. Going by this description, the rule of law can be viewed as being associated with both economic and social outcomes.

2.4.1 Definitional and methodological debates on Rule of Law

Interest in the rule of law as a possible solution to resolving political and economic problems around the world became commonplace in the early 1990s (Von Staden, 2009). Despite this, the term rule of law remains subject to different interpretations. Different conceptions have been provided about the rule of law, most of which converge around similar ideals. For example, Endicott (1999: 2) argues that the rule of law entails that: "laws must be open, clear, coherent, prospective, and stable; legislation and executive action should be governed by laws with those characteristics; and there must be courts that impose the rule of law". This definition of the rule of law emphasizes the important role of courts to ensure that the different arms of government in a country are bound by clearly defined laws. In turn, the adherence of the different arms of government to the law serves to protect the social and economic interests of citizens such as the respect for private property rights and also leads to the control of corruption.

In another definition, Hayek (cited by Boettke and Subrick, 2003: 112) argues that: "the rule of law means that government in all its actions is bound by rules fixed and announced beforehand-rules which make it possible to foresee with fair certainty how the authority will use its coercive powers in given circumstances and to plan one's individual affairs on the basis of this knowledge". Hayek (cited by Boettke and Subrick, 2003: 113) further adds: "The rule of law is part of the intricate mix of institutions that enable individuals to realize the benefits of impersonal exchange and realize advanced economic development". The view of the rule of law expressed by Hayek (cited by Boettke and Subrick, 2003) is consistent with liberal democratic tenets which focus on ensuring that democracy works to the benefit of individuals in society by providing a space for individuals to have their social, economic and political liberties protected by state institutions. This is opposed to autocratic forms of government in which the liberties of individuals are seldom respected.

The WGI define Rule of Law as "the extent to which individuals have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, the police, and the courts, as well as the likelihood of crime and violence" (Kaufmann and Kraay, 2010). This definition shows that like Endicott (1992) and Hayek (cited by Boettke and Subrick, 2003), the WGI are also influenced by liberal democratic tenets. This further indicates that the indicators that measure matters relating to governance converge around the idea that governance, whether political or otherwise, should lead to the protection of various liberties for individuals and that there should be institutions in place such as the police and the judiciary which should enforce the protection of liberties. In turn, the protection of liberties should provide an environment that allows improved socioeconomic outcomes. Based on this understanding of Rule of Law, it is also useful to engage with literature to establish the extent to which the rule of law is associated with socioeconomic development.

The definitions highlighted above also show that most Rule of Law indicators are based on an understanding that countries run by autocratic governments are more strongly associated with low scores of Rule of Law while those run by governments along liberal democracy lines are more closely associated with high scores of Rule of Law. Contrary to this view, Mattei and Nader (cited by Von Staden, 2009: 362) argue that rather than being influenced by neoliberal ideals and multilateral institutions, Rule of Law indicators should reflect local law traditions regardless of whether these conform to international measures or not. In this way, assessments on the rule of law should be made on the basis of a country's adherence to its own set of prescribed laws.

2.4.2 Relationship between Measures of Rule of Law and Measures of Socioeconomic Development

Boettke and Subrick (2003) carried out a quantitative study to examine the effects of the rule of law on the quality of life. The mathematical model that motivated their study was premised on the theory that GDP rises were associated with increased human capabilities and also that improvements in the rule of law were associated with economic development (Boettke and Subrick, 2003: 116). The study employed a strategy to use Rule of Law as an instrument for GDP (Boettke and Subrick, 2003: 116). In this way, Boettke and Subrick's study (2003) investigated the impact Rule of Law had on economic development and in turn the impact that

economic development had on human well-being. This was based on the reasoning that the rule of law did not have a direct impact on human capabilities such as health outcomes and educational attainment which are largely the result of public policy (Boettke and Subrick, 2003: 116). Boettke and Subrick (2003) therefore used an economic framework known as the instrumental variables approach to examine the extent to which the rule of law improved human well-being through its impact on economic development.

The study first examined the impact of Rule of Law[8] on four basic measures of well-being. These were Life Expectancy (male and female), Infant Mortality, Primary and Secondary Education, and Illiteracy (male and female) (Boettke and Subrick, 2003: 121). The results show that improvements in the rule of law led to improvements in the level of development that, in turn, led to increased life expectancy. These results were statistically significant at the 1 percent level (Boettke and Subrick, 2003: 121). The results also show that the rule of law had an indirect statistically significant effect on infant mortality. With regard to illiteracy, the coefficient on GDP was negative and significant at the 99 percent level. This was true for both females and males with improvements in female literacy being greater than the gains that males received from improvements in the rule of law (Boettke and Subrick, 2003: 121). The effects of economic development on illiteracy rates for both males and females show that the coefficients were negative in all regressions and statistically significant. According to Boettke and Subrick (2003: 121) this indicates that improvements in income associated with the rule of law seem to increase the basic ingredients of human well-being.

It is apparent from the study referred to above that the rule of law did not have a direct impact on human well-being. Nevertheless, it did have a positive impact on some factors that contribute to improvements in human well-being.

Other studies have sought to establish the relationship between the rule of law and development by examining the differences between countries associated with respect for the rule of law and those with low Rule of Law ratings. In a quantitative study, Mahoney (2000) explored the impact

[8] The study used Kaufmann, Kraay and Zoido-Labton's index of rule of law. The index measures the effectiveness of the judiciary and the extent to which the judiciary makes predictable decisions. It also measures the enforceability of contracts while also capturing the fairness and predictability of the legal framework (Boettke and Subrick, 2003: 113).

of common law and of civil law on economic development. Based on Hayek's analysis (1960; 1967; 1973), Mahoney referred to common law as law that is more consistent with individual liberty and that is associated with fewer government restrictions on economic and other liberties (Mahoney, 2000: 3). Conversely, he referred to civil law as that associated with more interventionist governments (Mahoney, 2000: 3). In many respects, the distinction that Mahoney (2003) made was between countries that had embraced liberal democratic values of governance and those that had not. On the basis of these two distinct types of law, Mahoney explored the differences in the levels of economic development between countries he categorized as practicing common law and those he categorized as practicing civil law.

Mahoney (2000: 27) found that over the period 1960 to 1992, common law countries experienced, on average, a bit more than half a percent greater real per capita GDP growth per year than did civil law countries, controlling for starting per capita GDP, secondary school enrollment, population growth, investment, and other factors. In this analysis, Mahoney (2000) tested the effects of common law using OLS regressions. The independent variable of interest was a dummy that took on the value 1 for common law countries and 0 for other countries (Mahoney, 2000: 18). Other independent variables used in the equation were the rate of enrollment in secondary education in 1960 which served as a proxy for investment in human capital, the average annual rate of population growth during the same period and the average investment share of GDP over the same period (Mahoney, 2000: 18).

The dependent variable was the average annual rate of real per capita GDP growth. The results show that the coefficient on the common law dummy variable was both economically and statistically significant (Mahoney, 2000). Controlling for the other variables, the common law countries grew, on average, 0.64 percent per year faster than the civil law countries ($p = .014$) (Mahoney, 2000: 19). The results of the regressions further demonstrate that sub-Saharan Africa and Latin America were notably poor performers during the period of interest (Mahoney, 2000: 21). Linking his findings to literature on the subject, Mahoney concluded that: "citizens of common law countries, controlling for the size of the economy, hold a greater portion of their wealth in forms whose value depends on the quality of contract enforcement…This suggests a higher level of confidence both that contracts will be enforced against private actors and that governmental actors will not interfere excessively in transactions or appropriate wealth"

(Mahoney, 2000: 25). The growth in real per capita GDP does not, however, reveal much about the level of inequality in a country. For this reason, it is necessary to note that real GDP per capita growth does not necessarily translate into improved well being for all citizens.

Mahoney's study illustrates that common law practicing countries were associated with a higher degree of respect for the rule of law than common law countries. This further indicates that countries with a liberal democratic approach to governance were more associated with improved socioeconomic development outcomes than less liberal or autocratic countries. Mahoney (2000) provides evidence that the quality of contract enforcement and the respect for the liberty of citizens in a country are generally accompanied by positive economic growth rates and higher standards of living. While the literature provides grounds to believe that the quality of the rule of law is a necessary condition for socioeconomic development caution needs to be taken to consider that the rule of law may not impact directly on human well-being but that it may only be positively correlated with other factors that have a direct influence on human well-being. For instance, a high Rule of Law score could also mean that institutions such as the police and the courts are executing their duties effectively, including addressing corruption. This would then lead to the abatement of distortions in government spending.

2.5 Voice and Accountability and Socioeconomic Development

This section discusses the association between measures of Voice and Accountability and measures of socioeconomic development. The discussion takes into account the debates regarding the concept "voice and accountability", while also taking into account methodological issues related to the concept.

2.5.1 Definitional and methodological debates on Voice and Accountability

Unlike other measures concerning governance, the concept "voice and accountability" is arguably the most difficult to define. This is because the concept is derived from two terms, "voice" and "accountability". Therefore, combining the two terms has the effect of presenting challenges in understanding the meaning of Voice and Accountability as a single concept because each of the two terms have separate meanings.

Kaufmann et al (2010) classify Voice and Accountability as a measure that falls under one of three broad themes of governance; the process by which governments are selected, monitored and replaced. It is in this context that Kaufmann et al (2010: 4) define Voice and Accountability as: "the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media". Like Rule of Law, the definition of Voice and Accountability appears to draw strongly from liberal democracy values which espouse universal suffrage, free and fair elections and democratic accountability by governments through the protection of liberties for citizens and the media.

Without neglecting Kaufmann et al's definition above, attention is also drawn to other conceptions of Voice and Accountability. Paul (1992) in a study on the impact of "voice" on public accountability of public services and governance in general, referred to "voice" as participation or protest used to induce service providers to perform. On the other hand, Paul (1992: 1048) referred to "accountability" as the degree to which individuals "can influence the final outcome of a service through some form of participation or articulation of protest or feedback". Paul's analysis indicates that the terms "voice" and "accountability" can be treated as separate but related terms which are both associated with the avenues through which citizens can hold governments accountable. To a large extent, Paul (1992) and Kaufmann et al (2010) define Voice and Accountability in a manner that can be identified with democracy and its attendant features. Related to this, Blair (2000: 17) states that in democratic governance, whether at national or local level, accountability refers to the extent to which public servants are held accountable. Again, this shows that Voice and Accountability refers to processes through which citizens can rein in their governments. Granted, this also means that through these processes, citizens can also hold governments accountable to the extent to which they handle matters relating to the improvement of human well-being.

The Voice and Accountability indicator developed by Kaufmann et al is based on several measures compiled by different agencies and surveys. For example, the Bertelsmann Transformation Index (BTI) provides a measure of Voice and Accountability that is based on measuring political stability, stability of democratic institutions, and political and social integration (Kaufmann et al, 2010: 46). Other measures that contribute to Kaufmann et al's measure of Voice and Accountability include indicators provided by Freedom House that

measure political rights, civil liberties, press freedom, as well as measures of the freeness of the media, civil society and electoral processes among others (Kaufmann et al, 2010).

While some of the measures that contribute to Kaufmann et al's indicator of Voice and Accountability focus primarily on freedoms of the media and citizens, others are targeted largely at capturing the integrity of democratic processes and institutions. An example of such a measure is the Gallup World Poll that captures confidence and honesty of elections (Kaufmann et al, 2010: 55). Yet another example is the Latinobaromter survey that captures satisfaction with democracy and trust in parliament (Kaufmann et al: 61).

The different measures highlighted above show that measures of Voice and Accountability include media and individual freedoms on the one hand, and satisfaction with democratic processes and institutions on the other hand. Because this study conceives of Voice and Accountability as a measure of the extent of democracy and satisfaction with democratic processes for reasons explained in Chapter 1 of this study, the literature reviewed focuses on the aforementioned conception of Voice and Accountability without necessarily taking into account media freedoms.

2.5.2 Relationship between Measures of Voice and Accountability and Measures of Socioeconomic Development

Bird et al (2008) used Worldwide Governance Indicators on Voice and Accountability and Control of Corruption to investigate the impact of governance on tax efforts in developing countries and high income countries. Bird et al's study was predicated on the argument that developing countries need to spend more on public infrastructure, education and health services in order to be less poor, and increasing the tax revenue as a percentage to GDP is crucial to this task (Bird et al, 2008: 55). Also central to the argument was that developing countries did not tax themselves more because it was not in the interest of those who dominated political institutions of such countries to do so (Bird et al, 2008: 56).

As part of their study, Bird et al (2008) tested the following hypothesis: "A more encompassing and legitimate state is an essential precondition for a more adequate tax system. If taxpayers perceive that their interests (preferences) are properly represented in political institutions having

a meaningful "voice" in influencing the state their willingness to contribute increases". This hypothesis was probably motivated by liberal democracy that views the accountability of the state to citizens as an important feature of governance. In this study, Voice and Accountability and Control of Corruption were used as independent variables while the tax effort (tax revenue as a share of GDP) was used as a dependent variable in a regression analysis for a range of high income countries, with a similar regression test for developing countries for the period 1990 to 1999 (Bird et al, 2008).

The results show a strong positive correlation between Voice and Accountability and tax effort in high income countries, and a statistically significant negative correlation in developing countries. These results give support to the hypothesis that societies' willingness to tax themselves depends on "good" government institutions (Bird et al, 008: 68). More importantly, the results also show that the extent to which governments are accountable to their citizens as well as the degree of legitimacy they enjoy, have an impact on their ability to justify taking economic decisions that ultimately lead to improved human well-being. It can also be argued that legitimacy and accountability are derived by the democratic processes through which governments are elected into office and the democratic means through which they account to their citizens.

In a qualitative study that discusses the impact of democratic governance in resource rich African countries, Idemudia (2009) found that Nigeria was characterized by both poor democratic governance and declining levels of human development. This was in contrast to Botswana that had been associated with features of sound democratic governance such as democratic elections and rising levels of human development (Idemudia, 2009: 15). Despite this, Idemudia (2009) also established that democratic accountability did not in itself contribute to poverty reduction. Rather, democratic governance needed to be accompanied by the strengthening of the technical and institutional capacities of institutions of checks and balances, the diversification of civil society strategies, and an emphasis on macroeconomic policies (Idemudia, 2009: 3).

It is evident from the foregoing that measures of Voice and Accountability, while associated with higher levels of socioeconomic development, cannot necessarily be viewed as being responsible for changes in socioeconomic development. Rather, it provides evidence that higher levels in measures of Voice and Accountability are likely to be associated with higher levels in measures

of socioeconomic development. This relationship could therefore be a result of the influence of Voice and Accountability on other matters relating to governance such as the effectiveness of governments.

Following from the above argument, the possibility that Voice and Accountability may only impact on socioeconomic development indirectly is demonstrated in a study by Sakr (2003). In a qualitative study, Sakr (2003) found that Arab countries generally had high levels of human development and social well-being, despite most of them having low levels of democratic accountability. Sakr (2003:1) argued that this was possible for Arab states because state revenues were not derived from personal income tax, but from oil rents. As a result, Arab states were able to avoid establishing links with their citizens that require democratization and accountability (Sakr, 2003: 1). Sakr's findings are profound for two reasons. First, they demonstrate that improved human well-being can be achieved even in the absence of Voice and Accountability. Second, they show that high levels of human development cannot necessarily be explained by high levels of Voice and Accountability, even though democratic accountability and human well-being are closely associated with each other.

It is evident from the literature reviewed that most measures related to governance were associated with changes in measures of socioeconomic development. The literature also demonstrates that in some cases, there is evidence that changes in measures related to governance led to changes in measures of socioeconomic development. This makes it possible to infer that governance reform could impact positively on development. However, in other cases, the literature shows that changes in measures related to governance were only associated with changes in socioeconomic development measures without causality being determined. Furthermore, changes in some measures related to development were found to impact on changes in measures relating to development indirectly. The literature therefore confirms the argument in the general debate of this section which suggests that the association between governance and development produces different results in different countries.

CHAPTER 3

ANALYTICAL FRAMEWORK

This chapter discusses the design, methods and indicators used in this study. It also explains the data sources used and the techniques employed to analyse data. The discussion that follows provides a framework for understanding the indicators and methods that were central to investigating whether indicators of matters relating to governance were associated with changes in measures of socioeconomic development in Zambia.

3.1 General Design

This research aimed to establish statistical relationships between indicators of matters concerning governance and measures of socioeconomic development in Zambia. A quantitative research design was used for this purpose because it provided the most appropriate means for analysing quantitative indicators of matters concerning governance and of socioeconomic development. A quantitative design was used instead of a qualitative research which would have been more appropriate for a study aimed at collecting data through qualitative interviews to investigate the perceptions amongst Zambians on the association between matters concerning governance and their living conditions. However, the logistics that would have been required to travel to Zambia to conduct interviews, particularly financial considerations meant that a qualitative research design would not have been feasible. In order to incorporate the views of Zambian citizens, this research took advantage of the fifth round Afrobarometer survey which provided data on citizens' perceptions of governance and democracy in Zambia that could be analysed with the aid of statistical techniques.

Access to Afrobarometer survey data was granted by the Afrobarometer office at the University of Cape Town (UCT). At the time access was granted, the data was not available to the public and was only made available for this study on request. My position as a student at UCT was a major consideration in being allowed access to the data which otherwise would not have been granted by the authorising office.

To address the extent to which matters concerning governance were associated with changes in socioeconomic development, this study first observed the trends in indicators of matters concerning governance at the country level. This was followed by observing the trends in HDI which was used as a proxy measure of Zambia's socioeconomic development. The study then investigated the perceptions that Zambians had about matters concerning governance and about how they rated their present living conditions. Thereafter, correlation tests were run to determine how statistics related to matters concerning governance were associated with statistics measuring socioeconomic development in Zambia and between the perceptions that Zambians had about matters relating to governance and the incidence of lived poverty. This was done to understand how matters relating to governance were associated with socioeconomic development at the national level and at a personal level.

For the purpose of addressing the association between statistics related to governance and statistics measuring socioeconomic development, the World Bank's Worldwide Governance Indicators were chosen to provide data for statistics related to measures concerning governance in Zambia. The WGI were chosen because they provide six composite indicators of broad dimensions of governance covering over 200 countries since 1996. The WGI were also chosen because they were based on several hundred variables obtained from 31 different data sources, collecting governance perceptions reported by survey respondents, nongovernmental organizations, commercial business information providers, and public sector organizations worldwide (Kaufmann, et al, 2010). This meant that the WGI encompassed various dimensions of governance and thus, they were viewed to be more useful than measures concerning governance provided by a single data source.

The six WGI indicators provide measures of Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. For the purposes of this study, Political Stability and Absence of Violence/Terrorism and Regulatory Quality were not included only because the Afrobarometer survey, which was central to investigating citizens' perceptions about matters concerning governance and living conditions, did not provide data that would have been useful for computing variables for the two measures.

This study used the Human Development Index as a measure of socioeconomic development in Zambia. The use of HDI was found appropriate because the index was arguably the most widely used measure of development that combined both social and economic factors of development. These aspects included measures of education, health and income. The study also included elements of a trends study by providing an analysis of the trends in the measures relating to governance and in HDI between 1996 and 2012.

Afrobarometer data was useful for measuring perceptions of Zambian citizens on matters relating to governance and their living conditions. Specifically, this data was provided by the fifth round of Afrobarometer, conducted in 2012. The dataset contained question items that were used to compute variables for Control of Corruption, Government Effectiveness, Rule of Law, and Voice and Accountability. The dataset also contained a set of questions that were used to compute a Lived Poverty Index that served as a measure of the citizens' assessment of their own socioeconomic development.

3.2 Indicators used in the Study

This section discusses the indicators that were used in this study. This study relied on measures relating to governance provided by the WGI and the HDI as a measure for socioeconomic development in Zambia as well as Afrobarometer survey data to understand citizens' perceptions about matters relating to governance and the incidence of lived poverty. However, the use of these data sources presented some concerns. This was particularly the case with WGI and HDI data. This section therefore engages critically with the indicators to understand how they are defined and measured, while taking their limitations into account. Taking this step also makes it possible to demonstrate the suitability of using these data sources in this study.

3.2.1 Worldwide Governance Indicators

Kaufmann et al (2009) defined governance as the "traditions and institutions by which authority in a country is exercised". This includes the process by which governments are selected, monitored and replaced, the capacity of the government to effectively formulate and implement sound policies, and the respect of citizens and the state for the institutions that govern economic and social interactions among them (Kaufmann et al, 2009).

Kaufmann et al (2009) acknowledged that there are difficulties in measuring governance using any kind of data. To address this problem, they explicitly reported the margins of error accompanying each country estimate and found that after taking margins of error into account, the WGI permit meaningful cross country comparisons that are useful for monitoring progress in factors related to governance over time (Kaufmann et al, 2009).

It is argued that the methodology employed for developing the indicators has three important strengths. First, the aggregation methodology makes the WGI more informative than any individual data source (Kaufmann et al, 2009). Second, it allows calculation of the margins of error of the estimated indicators (Kaufmann et al, 2009). The third advantage of the methodology is that it creates a data set that is global in coverage, albeit with some missing values (Kaufmann et al, 2009).

In recent times, the WGI have emerged as a useful source of measuring the performance of countries with regard to matters relating to governance. The WGI have also become instrumental for allowing comparisons among countries on matters relating to governance and in some cases, they have also been used to inform policy. These factors coupled with the knowledge that the WGI are arguably the leading indicators on matters relating to governance motivated their use in this study to address the extent to which statistics related to governance in Zambia were associated with statistics measuring socioeconomic development. Nevertheless, this study took cognizance of the fact that the WGI had shortcomings. This also meant that the study had to take caution in the manner in which the WGI were used and reported.

In discussing the shortcomings of the WGI, Thomas (2010) argues that the suitability of the indicators for shaping policy towards individual countries is questionable, given the large standard errors of the estimates. She finds that "of the 70 countries identified as potential MCA beneficiaries for the 2005 fiscal year, about 40 countries could be placed above or below the median with 90 per cent confidence; the remaining 30 fell into a "zone of uncertainty"" (Thomas, 2010: 34).

In addition to the standard errors, scholars and development practitioners have begun to raise other concerns about the indicators and their use.[9] Particular attention has been given to the construct validity of the WGI. This relates to the fundamental question of whether the indicators measure what they claim to measure, or whether they even measure anything at all (Thomas, 2010). For example, questions have been raised about whether the WGI measure perceptions of governance or governance itself. This question is of significant importance because "there is a substantial difference between measuring a thing and measuring perceptions of it. In the context of governance, for example, perceptions of crime risk have been shown to be quite different from actual crime levels;[10] perceptions of corruption have been shown to differ from actual corruption levels;[11] and trust in government has been shown to differ from administrative performance"[12] (Thomas, 2010: 36). It has also been noted that the WGI contain subjective perceptions of governance and yet the authors of the indicators continue to interpret changes in their data as reflecting changes in governance itself, rather than changes in perceptions of governance" (Thomas, 2010: 37).

The argument made above presents an example of ways in which this study had to take caution in reporting changes in the WGI. This study recognized that the WGI were not presenting measures of governance in Zambia but rather of perceptions of matters that were related to governance. The study was therefore aware that the WGI could not be interpreted as actual measures of governance. Against this background, the use of the WGI was therefore motivated by the need to employ widely used measures of governance to understand the association between measures relating to governance and measures of socioeconomic development in Zambia.

Another criticism of the WGI points to the fact that because the WGI are constructs that measure abstract ideas, evidence must be provided to show that the measures of the WGI were drawn from a theory (Thomas, 2010: 37) Thomas (2010) established that the WGI were neither defined nor rooted in theory and as such were not theoretically defensible. In response to this, Kaufmann

[9] For example: Arndt and Oman, 2006; Knack, 2006; Kurtz and Shrank, 2006; Razafindrakoto and Roubaud, 2006; Kurtz and Shrank, 2007; Iqbal and Shah, 2008;
[10] see, for example, Forgas, 1980; Pfeiffer, 2005
[11] see, for example, Olken, 2006; Seligson, 2006
[12] Van de Walle and Bouckaert, 2007

et al (2010: 2) argued that "in the absence of universally accepted common definitions of the term governance and its related dimensions, it was reasonable to propose definitions of the six governance indicators that comprise the WGI provided they were based on existing definitions and understandings of the concepts".

Langbein and Knack (2008) also took issue with the WGI arguing that the six composite indicators appeared to be measuring the same broad concept. On the basis of this argument, Langbein and Knack (2008: 2) argued that there was no evidence of concept validity for the six indices[13]. Langbein and Knack (2008: 2) also criticized the WGI authors for not employing factor analysis or other means of exploring the dimensionality of the underlying data. Clearly, these criticisms show that the WGI are far from perfect but they also serve to highlight the challenges of measuring abstract concepts such as governance that do not have a universal definition or let alone a standard methodology for computing indicators. This meant that while the WGI were used in this study because of their increasing usage, the findings of this study had to take into account the fact that methodological issues relating to the indicators could also have had an influence on the results of the study.

In addition to concept validity, the WGI have been criticized for lacking convergent and discriminant validity. Indicators satisfy convergent validity when they are correlated with things that theory says they are correlated with and satisfy discriminant validity when they are not correlated with things that theory says they should not be correlated with (Kaufman et al, 2010: 2). Kaufmann et al (2010) addressed the concerns relating to construct validity and argued that construct validity was not a useful tool for assessing the merits of the WGI. They further contended that there was no evidence of any practical consequences of failure to meet the criteria of construct validity (Kaufmann et al, 2010). In response to arguments that the WGI lacked convergent and discriminant validity, the authors of the WGI noted that convergent and discriminant validity forced users to select empirical measures that were consistent with prior theorizing (Kaufmann et al 2010: 3). However, this was problematic because "it undermined the

[13] Concept validity requires that: "an indicator of abstract A should be systematically related to concept A and not related to concept B. Similarly, the indicator of abstract concept B should be much more closely related to concept B than to concept A" (Langbein and Knack, 2008: 2).

primary purpose of data, which was to test theories to assess their empirical relevance" (Kaufmann et al 2010).

In light of these debates, this study acknowledged the challenges associated with WGI measures while also recognizing that the WGI presented a composite index of measures relating to governance, collected from various sources. This was helpful for this study because it eliminated the problems that would inevitably have arisen in selecting indicators relating to governance from only one source. Relying on one source would have made it even more difficult to justify using a particular source for indicators as opposed to other sources. In addition, the focus of this study was not to inform policy making but rather to determine whether there was any empirical evidence to suggest the existence of an association between matters relating to governance and socioeconomic development in Zambia.

3.2.2 Human Development Index

The human development approach is closely related to the idea of human capabilities proposed by Sen (1985, 1999, 2009) and developed further by, among others, Nussbaum (2000, 2006) and Robeyns (2005) (Klugman et al, 2010: 6). The term "capabilities" is used to refer to: "the opportunities that a person has to exercise his or her freedom to attain different kinds of alternative lives between which a person can choose (Klugman et al, 2010: 7). The HDI centers on three: living a long and healthy life, having access to knowledge, and a decent standard of living to expand these freedoms (Klugman et al, 2010: 7).

3.2.2.1 Indicators used in HDI

It is necessary to engage with debates about the indicators used in HDI as this helps to understand whether the index is useful for providing a measure of human development. In the first HDR, "adult literacy and combined enrolment ratios were selected as indicators for the knowledge dimension, life expectancy at birth as the indicator for a healthy life and an adjusted GDP as the indicator for the standard of living" (Sagar and Najam, 1998). In more recent HDRs, the indicators for the three dimensions have been adjusted to improve the HDI's measurement. Most notable among these changes are that Gross National Income (GNI) replaces GDP as the measure for living standards while mean years of schooling and expected years of schooling now

make up the education dimension (Klugman et al 2010: 15). However, Life expectancy remains the indicator for the health dimension.

The motivation behind these changes is attributed to attempts to improve the computation and reliability of the HDI. The improvements were aimed at making the construction of indices for a large number of countries more feasible or to introduce new indicators to replace previous ones that had lost relevance as a result of "structural changes" (Klugman et al, 2010: 17). The replacement of the literacy measure by mean years of schooling is an example of a revision whose main purpose was to ensure current relevance because literacy had become deeply unsatisfactory over time as a measure of progress in education (Klugman et al 2010). Among the reasons for this change were that average literacy rates rose from 60 to 83 percent between 1970 and 2010 and also because developed countries no longer collect data on basic literacy (Klugman et al, 2010). For these and a host of other reasons, the literacy rate was found to be increasingly less informative for future analyses on the quality of education in countries.

Similarly GDP was replaced with GNI because it was recognized that the measure of income in the HDI is a proxy for the typical person's command over resources that they can use to acquire goods and services, and save for the future (Klugman et al, 2010: 20). Based on this consideration GDP was excluded from HDI because it is a measure of how much an economy can produce as opposed to GNI which provides an indication of the extent to which citizens have a command over resources by taking into account transfers from abroad and excluding transfers to other countries (Klugman et al, 2010: 20).

These changes give confidence that careful consideration has been given over the years to ensure that the HDI provides a measure that is useful for understanding the extent to which countries differ with regard to the expansion of human capabilities. While this is the case, the HDI remains subject to scrutiny because of methodological issues surrounding the computation of the index. Some of these concerns are highlighted in the next section.

3.2.2.2 HDI Methodology

For each dimension of HDI, the value of the index is computed on a scale of 0 to 1 where 0 corresponds to the minimum, and 1 to the maximum assigned value for the corresponding

indicator (Sagar and Najam, 1998: 250). The overall HDI is then determined as the arithmetic average of the three indices (Sagar and Najam, 1998). However, Sagar and Najam (1998) questioned the decision for all three dimensions to be treated equally as it presupposes that the dimensions are equally essential in determining the level of human development. Sagar and Najam (1998; 252) instead proposed that the HDI should be computed as a product of the three component indices so that changes in the performance of any index would be reflected in the overall HDI.

Another important methodological issue that Sagar and Najam (1998) raised is the capping of income in the HDI, a situation they found led to the transformation of over $30,000 in GNP to supposedly similar standard of living indices. This was observed in the 1997 HDR where Switzerland rated a 0.99 and Mexico 0.96 on the standard-of living index and yet the per capita GNP of Switzerland was more than nine times that of Mexico (Sagar and Najam, 1998). Klugman et al (2010) addressed this concern by stating that: "beyond a certain level of income, additional increments would not yield a significant increase in capabilities[14]".

Both concerns raised above confirm that HDI is an imperfect measure. The imperfection of HDI does not however negate the usefulness of the index as a measure of human development. This reasoning is informed by the understanding that most if not all measures of development suffer from methodological constraints and that the HDI probably more than other indices has consistently attempted to make improvements to its index. It also continues to provide a measure of both social and economic factors for close to 200 countries and territories based on a set of indicators and methods that permit comparisons among countries. It is for this reason that this study found HDI to be a reliable measure of social and economic factors of development. Despite arriving at this conclusion, this study was alive to debates regarding the credibility and reliability of HDI and addressed these debates in the section that follows.

[14] In the 1990 HDR a cutoff level of income per capita was set to equal the official poverty line in nine industrial countries, an amount equal to $8,193 in 2008 dollars.

3.2.2.3 Credibility and Reliability of HDI

It has been argued that a single composite measure is not sufficient to capture all aspects of human development and it has instead been suggested that it would be more appropriate to collect multiple indicators of the various dimensions of poverty including an index of command over market goods, indicators for health and education attainments and access to services (Ravallion, 2011: 2).

Following the argument above, the UNDP HDRs have made attempts to address these concerns. Among measures taken, several other composite indices such as the Gender-related Development Index (GDI), Gender Empowerment Measure (GEM) and Human Poverty Index (HPI) have been subsequently proposed by UNDP and the values of all these indices are annually estimated and given in HDRs (Klugman et al, 2010: 36).

As much as the UNDP has made attempts to provide other indices to be used alongside the HDI, this study did not explore the possibility of using multiple indices to provide various dimensions of poverty and human well being. A major reason for this was attributable to the fact that the alternative indices composed by the UNDP are in their infancy. The implications of this are first, the indices have only been computed for a few years and their computation has not been done on an annual basis. This would have meant fewer data points for this study which would also have affected correlation results. Second, the indices undoubtedly suffer from a number of methodological concerns that have as yet not received the same amount of scrutiny as the HDI. Another important reason was that using multiple indices would have broadened this study considerably beyond the expected scope.

Another major concern relating to the HDI has been raised relating to the data used in composing the index. Since the first publication of the HDR, subsequent reports have adjusted HDI values for preceding years in view of improved reporting of statistics. Tokuyama and Pillarisetti (2009:40) note that: “HDRs give revised estimates of the HDI values which they claim are more accurate for comparability”. As a result, the HDRs have adopted a system of reporting revised HDI values in succeeding HDRs. According to Tokuyama and Pillarisetti (2009: 40) “the estimates of the HDI are further revised and given with five year intervals which the HDRs claim are comparable across nations and time”. To illustrate this argument, the HDR 2002 gives the

HDI for the reference year 2000. Subsequently HDR 2004 gave new revised estimates for the HDI for 2000 and the HDR 2005 yet again gives further revised estimates for the HDI for 2000. The differences in HDI values for the same year have been found to vary from −10.16 per cent to 10.62 per cent (Tokuyama and Pillarisetti, 2009:42). In spite of these shortcomings, it has been suggested that the UNDP should not be blamed for data revisions, as the data are perhaps the best available to UNDP from its sources (Tokuyama and Pillarisetti: 48). This demonstrates that data sources that provide measures on national development are highly susceptible to inaccuracies that could undermine the quality of data. This also means that caution has to be taken in the manner these statistics are interpreted and more importantly with the extent with which they are used to inform policy. For this reason this study took caution to ensure that the HDI values for Zambia used were based on the most recent revisions provided in the HDRs.

Taking into account the many challenges that come with using HDI, this study recognizes that HDI remains the most widely used measure of development and a measure that provides arguably the best index of social and economic factors of development. Because this study could not dismiss the shortcomings of HDI, however convenient it was to use it, an attempt was made to remedy this concern by also investigating the extent of lived poverty in Zambia. This data was obtained from Round 5 of Afrobarometer and it served as an attempt to include an objective measure of social and economic aspects of development based on actual reports by Zambians.

3.2.3 Afrobarometer Survey Data

The Afrobarometer is an independent, non-partisan research project that measures the social, political, and economic atmosphere in Africa.[15] Afrobarometer surveys are conducted in 35 African countries and are repeated on a regular cycle.[16] The research instrument used by Afrobarometer asks a standard set of questions in the 35 countries which makes it possible to make cross country comparisons and also to establish trends in public attitudes over time.[17]

Questions from Afrobarometer survey data are incorporated into four of the WGI composite measures. The four measures are Control of Corruption, Government Effectiveness, Rule of Law

[15] www.afrobarometer.org
[16] www.afrobarometer.org
[17] www.afrobarometer.org

and Voice and Accountability. Afrobarometer data is also useful for measuring living conditions in Africa. In this regard, Afrobarometer has developed an experiential measure of lived poverty (Mattes, 2008). The Lived Poverty Index (LPI) is based on a series of five questions that assess how frequently people go without basic necessities: enough food to eat, clean water, medicines or medical treatment, cooking fuel and a cash income (Afrobarometer, 2009).

According to Mattes (2008), the LPI measure "has strong individual level construct validity and reliability within and across national round of surveys". The LPI measure is also useful for capturing a portion of the central core of the concept of poverty not captured by existing objective or subjective measures (Mattes, 2008: 1). However, the LPI also exhibits "inconsistent levels of external validity as a measure of aggregate level poverty when compared to other objective measures of poverty or well-being" (Mattes, 2008: 1). Despite this, Afrobarometer's lived poverty is very strongly related to country level measures of political freedom (Mattes, 2008). Afrobarometer also provides data on popular attitudes towards various aspects of human well-being, including towards matters relating to governance.

In an attempt to ensure that the data collected is credible and fit for use by policymakers, Afrobarometer's fifth round Zambian survey undertook to collect data from 1,200 respondents, a representative sample of the population, based on scientific sampling methods. The sample was drawn by taking the smallest geographic units, census Enumeration Areas (EAs), and stratifying all EAs across the country into separate lists according to provinces and wards and type of geographical area (urban/rural) (Afrobarometer, 2013). A total of 150 EAs were then randomly selected from the lists with the probability proportionate to its size in the overall population as represented in the 2010 census of population and housing (Afrobaromter, 2013). According to Afrobarometer, this ensured that every eligible adult had an equal and known chance of being selected (Afrobarometer, 2013: 1). Thereafter, eight households were randomly selected within each EA, and a respondent 18 years of age or older was randomly selected from each household (Afrobarometer, 2013). A gender quota ensured that every other interview was with a female respondent (Afrobarometer, 2013). A sample of this size was sufficient to yield an overall margin of error of 3 percent at a confidence level of 95 percent (Afrobarometer, 2013).

The use of Afrobarometer survey was therefore justified on the basis of the scientific methods used in the sampling, the representativeness of the sample, and the fact that the data provided the most convenient means of establishing perceptions about matters relating to governance and living conditions in Zambia.

3.3 Methods

This section provides an overview of the methods that were used to investigate whether measures of matters concerning governance were associated with measures of socioeconomic development in Zambia. The section provides a discussion of the steps taken and the techniques of analysis that were employed.

3.3.1 Computation of Variables

An important part of this study was to compute variables for measures relating to governance from the Afrobarometer survey using SPSS. Before computing the variables, the question items that were selected for this process were checked for missing data. Afterwards, a factor analysis was run for each of the variables[18]. The factor loadings were used to compute variables for Control of Corruption, Government Effectiveness, Rule of Law, and Lived Poverty using the maximum likelihood extraction method and direct oblimin rotation. The Voice and Accountability variable was computed after running a factor analysis with the unweighted least squares method and direct oblimin rotation. The maximum likelihood and generalized least squares methods were not suitable for computing a variable for Voice and Accountability because the degrees of freedom did not permit. Furthermore, reliability analysis was run on each of the question items to establish the consistency of the subscales in the questionnaire.

The four variables relating to governance were based on question items that the WGI relied on as part of their composite measures. The question items did not directly ask about governance, but rather, they were useful for computing variables for the four measures relating to governance in this study. For example, the question items that were used to compute a variable for Control of Corruption were based on perceptions about the levels of corruption among seven government officials and public institutions. For Government Effectiveness, the question items were based on

[18] Exploratory factor analysis is used in the social sciences to measure things that cannot be directly measured (so called latent variables)-see Field, 2009.

perceptions of the government's handling of matters relating to fifteen different tasks. With regard to Rule of Law, the question items were based on the level of trust that citizens had in nine different institutions that were central to upholding the rule of law. And lastly, the question items for Voice and Accountability were based on questions that asked about perceptions of the extent of democracy in Zambia, the satisfaction with democracy in Zambia, and the satisfaction with the last general elections held in Zambia.

3.4 Analysis

This study used quantitative techniques to understand the relationship between measures relating to governance and measures relating to socioeconomic development. This study obtained data on four measures relating to governance from the World Bank's online data bank. The data bank provided time series data for Control of Corruption, Government Effectiveness, Rule of Law, and Voice and Accountability for the period 1996 to 2012. Similarly, data on HDI, which was used as a measure for the level of socioeconomic development in Zambia, was sourced from various Zambia Human Development Reports published between 1999 and 2013.

The WGI and HDI data were then entered into Microsoft Excel sheets and later imported into SPSS. Importing the data into SPSS was useful for running correlation tests between WGI data and HDI for the period 1996 to 2012. However, in order to understand the changes in indicators of matters relating to governance over time in Zambia, this study made use of a facility on the World Bank's online data bank that produced charts based on the time series data provided by the data bank. This made it possible to obtain a chart that showed the changes in the scores of the four indicators relating to Zambia's governance between 1996 and 2012. The chart was then imported to MS Word. Also, to understand the changes in Zambia's HDI between 1996 and 2012, this study used Microsoft Excel to produce a line graph based on data from the ZHDRs that had been entered into an Excel sheet.

Correlation tests between the WGI measures and HDI were run using the pairwise deletion of missing data method. This decision was necessitated by missing data points on the WGI and HDI data sets. WGI data for the years 1997, 1999 and 2001 was unavailable while HDI data for the years 1996, 2006 and 2008 was also unavailable. According to De Vaus (2002: 176), when using pairwise deletion to calculate the correlation between any two variables, all cases that have non-

missing values for those two variables are used to calculate the correlation even if those cases have missing values on other variables being used in the analysis. It was also necessary to use a deletion method because there were a different number of cases for the WGI and HDI variables. The pairwise approach proved to be useful in this regard because it gives a correlation matrix in which each coefficient may be based on a different number of cases (De Vaus, 2002: 176).The disadvantage of the pairwise approach is that it leads to some loss of cases but this is not nearly as marked as with other deletion methods (De Vaus, 2002: 176). This, however, was not viewed to be a major problem given the small number of missing data points.

Correlation tests were also run between the measures relating to governance computed from Afrobarometer data and the Lived Poverty Index. Each correlation test produced a Pearson correlation coefficient (r) which was useful for determining the direction of the relationship between the measures relating to governance and those relating to socioeconomic development. While the Pearson r was also useful for determining how strong the relationships were, it could not be used to determine the direction of causality between measures relating to governance and measures relating to socioeconomic development.

However, calculating the covariance (R^2) makes it possible to determine how much variation in one variable is directly related to (or accounted for by) the variation in the other variable (Field, 2009). In both correlation tests, the Pearson r values were squared to find the covariance (R^2). Based on the value of R^2, the covariance was used to get an idea about how accurate any predictions made about one variable could be made from knowledge of the other variable (Field, 2009). While the covariance cannot be used to infer causal relationships, R^2 can be used as an extremely effective measure of the substantive importance of effect (Field, 2009). In this regard, larger correlation coefficients mean stronger relationships which give rise to higher R^2 values (Field, 2009). Higher R^2 values mean more variance accounted for and allow better, more accurate predictions about one variable based on knowledge of the other (Field, 2009).

In summary, this study used a quantitative research design to investigate whether measures relating to governance were associated with changes in measures related to socioeconomic development. The indicators used in the study obtained from World Bank, UNDP and Afrobarometer, proved to be among the most widely used and most easily accessible. The World

Bank and UNDP provided indicators of measures relating to governance and socioeconomic development respectively for the period 1996 to 2012. These sources were also found to be very convenient for time series data. As indicated earlier in this chapter, Afrobarometer data was the most convenient and reliable avenue to investigate the perceptions of Zambian citizens towards matters relating to governance and to find out the extent of lived poverty. Though the statistical tests could not be used to determine if the measures relating to governance were responsible for the changes in measures relating to socioeconomic development, the correlation and covariance coefficients were useful for determining the degree of association between the measures as well as the amount of shared variance which could be used for predictions about changes in one measure based on knowledge of the other.

CHAPTER 4

RESULTS

The purpose of this study was to investigate whether indicators of measures concerning governance were associated with measures of socioeconomic development in Zambia. This chapter proceeds by first mapping out the performance of indicators of measures relating to governance in Zambia during the period 1996 to 2012 and then addresses the changes in HDI during the same period. It then turns to report the perceptions that Zambian citizens have about governance in their country and how they rate their living conditions. The chapter concludes by showing the correlations between factors related to governance and HDI, and between the perceptions of citizens about matters relating to governance and their present living conditions.

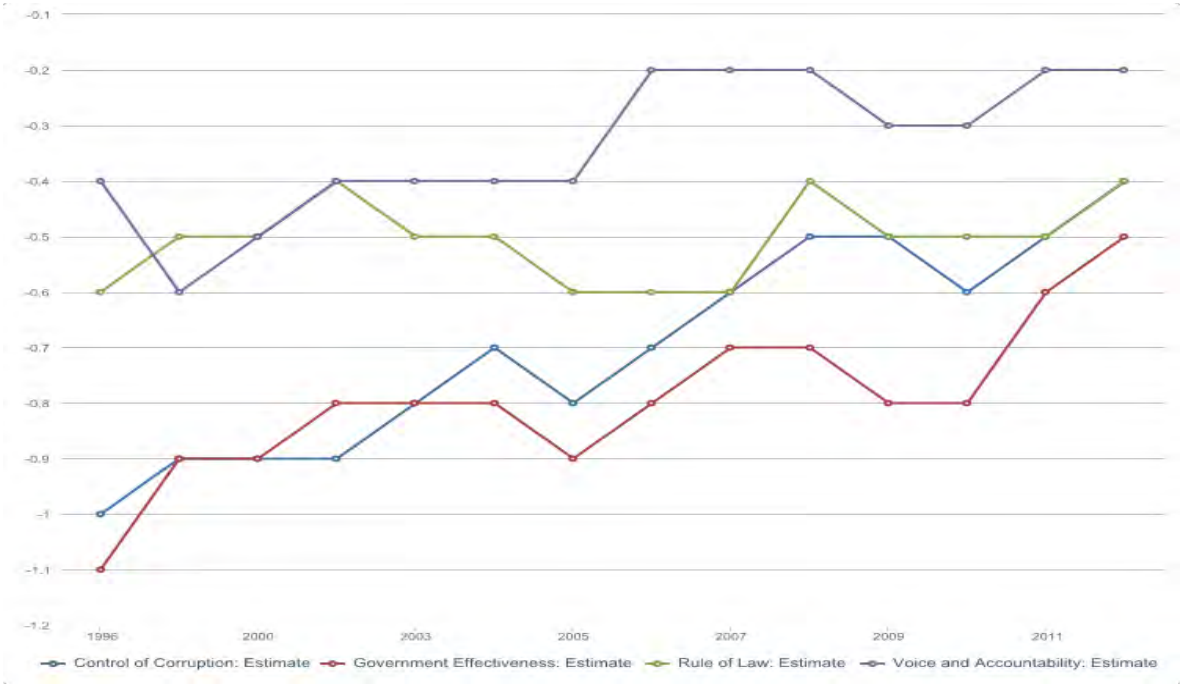
4.1 Performance of Governance Indicators in Zambia

This section shows the findings of changes in indicators of Zambia's governance between 1996 and 2012 based on the World Bank's Worldwide Governance Indicators. The WGI measures concerning governance are scaled from -2.5, which represents the lowest level on each measure, to 2.5 representing the highest level. Scores between -2.5 and 0 are associated with poor governance, while scores above 0 are associated with good governance.

Figure 1 below shows that in 1996, Zambia scored -0.4 on the WGI measure of Voice and Accountability, -0.6 on Rule of Law, -1 on Control of Corruption and -1.1 on Government Effectiveness. It is clear that Zambia scored poorly on all four indicators concerning governance in 1996. The results further highlight that Zambia scored the highest on its measure of Voice and Accountability and the lowest on its measure of Government Effectiveness at the start of the observations in 1996 as well as at the end in 2012. Between 1996 and 1998, there was a reduction in the measure of Voice and Accountability from -0.4 to -0.6, while the other three measures recorded positive changes. After 1998, the Voice and Accountability measure continued on an upward trend, peaking at -0.2 in 2006, where it remained until 2008. Though

there was a slight decline in the measure of Voice and Accountability between 2009 and 2010, the measure returned to its peak levels in 2011 and remained at -0.2 in 2012.

Figure 1 Performance of Zambia's governance indictors from 1996 to 2012



Source: World Bank Data Bank, Worldwide Governance Indicators [Online]

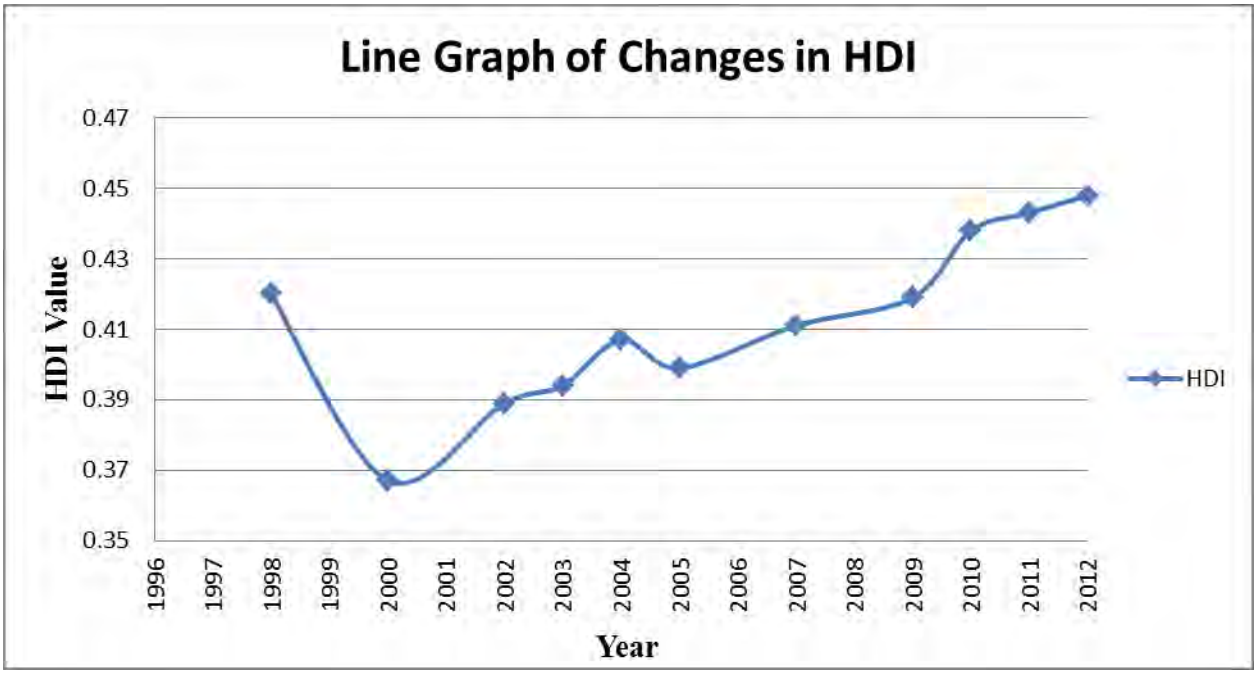
Figure 1 demonstrates similar trends for the other measures. The measure for Rule of Law peaked at -0.4 in 2002 and though it declined in the succeeding years, it eventually returned to its -0.4 peak level in 2008, a score it returned to in 2012, after suffering another decline in the intervening period. With regard to the measure for Control of Corruption, *Figure 1* above shows that the score continuously improved from 1996, though it declined slightly from -0.7 to -0.8 between 2004 and 2005. The measure for Control of Corruption improved further, eventually peaking at -0.4 in 2012, despite having dipped to -0.6 in 2010. With respect to the measure for Government Effectiveness, there was an upward trend from 1996 that was interrupted by a slight decline from -0.8 to -0.9 between 2004 and 2005. Thereafter, the evidence shows an upward turn in the measure for Government Effectiveness that, despite taking a dip between 2008 and 2010, eventually peaked at -0.5 in 2012.

Figure 1 above shows that between 1996 and 2012, gains were made on the four indicators concerning governance. And yet, the scores on all four indicators show that in 2012 Zambia was still associated with poor governance.

4.2 Trends in Zambia's HDI

This study used HDI as a measure of socioeconomic development. In this section, the study shows the changes in Zambia's HDI between 1996 and 2012. Based on HDI data collected from the UNDP for the period under consideration, *Figure 2* below provides a graphical representation of the changes in Zambia's socioeconomic development.

Figure 2 Trends in Zambia's HDI between 1996 and 2012



Sources of Data: UNDP, 1999-2013, Zambia Human Development Reports

Data for Zambia's 1996 HDI were not available from the UNDP. However, *Figure 2* shows that in 1998, Zambia had an HDI value of 0.42, placing it in the UNDP's low human development category. *Figure 2* also shows that Zambia's HDI dropped to 0.367 in 2000. This dip was most likely due to the impact of HIV/AIDS as the discussion in the next chapter demonstrates. Thereafter, there was a gradual and steady increase in the HDI value that rose to 0.389 in 2002, 0.394 in 2003 and 0.407 in 2004. In 2005, there was a decline in HDI to 0.399. However, after

2005 the HDI value increased every year reaching 0.411 in 2007 before rising further to 0.419 in 2009. *Figure 2* shows that there were additional gains in HDI with a value of 0.438 recorded in 2010, followed by rises to 0.443 in 2011 and subsequently 0.448 in 2012. *Figure 2* also shows that from 2000, the levels of human development in Zambia were lower than the 1998 levels. In fact, it was not until 2011 that Zambia returned to levels of human development similar to those recorded in 1998. While Zambia's HDI value in 2012 was marginally higher than its 1998 value, *Figure 2* shows that Zambia remained a low human development country.

4.3 Perceptions of Governance in Zambia

This section presents the results of the perceptions that Zambian citizens have about matters relating to governance in Zambia. The findings present the perceptions about: the number of officials in key state institutions involved in corruption, the extent to which the government is handling important social and economic matters, the extent to which they trust institutions responsible for enforcing the law, and their satisfaction with democracy and electoral processes.

4.3.1 Perceptions of Corruption in Zambia

The summary provided in *Table 1* below shows the percentage of Zambians that think there is corruption in key state institutions. The results display responses to the question: "How many of the following people do you think are involved in corruption?" *Table 1* shows the percentage of respondents that indicated none, some of them, most of them or all of them, in response to the number of people they believed were involved in corruption in each of the institutions mentioned.

Table 1 Perceptions of Corruption in Zambia

	Number of officials involved in corruption (%)			
	None	Some of them	Most of them	All of them
Office of the President	17.7	58.1	12.2	5.5
Members of Parliament	11.1	59.8	18.8	5.3
Government Officials	8.1	60.1	22.4	5.3
Local Government Councillors	11.3	56.6	22.1	5.8
Police	6.4	43.6	34.8	11.4
Tax Officials	9.5	53.3	17.8	5
Judges and Magistrates	12.3	55.9	17.2	4.3

Source: Afrobarometer Round 5 Survey

From *Table 1*, it is clear that the office of the President is perceived to be the least corrupt of the institutions in question, as demonstrated by close to 18 per cent of the respondents who believed that none of the officials in this office were involved in corruption. On the contrary, the Police Force was perceived to be the most corrupt institution as highlighted by the results that show that only 6.4 per cent of the respondents believe that no one in the police was involved in corruption. *Table 1* also shows that Zambian citizens had very high perceptions about the existence of corruption. On the basis of perceptions that some, most or all officials were involved in corruption, the results show that 75.8 per cent of the respondents believed there was corruption in the office of the President. The results also show that the perceptions of corruption stood at 83.9 per cent for Members of Parliament, 87.8 per cent for government officials, 84.5 per cent for local government councillors, 89.8 per cent for the police, 76.1 per cent for tax officials, and 77.4 per cent for judges and magistrates. Again, the results show that the police were viewed as the most corrupt, closely followed by government officials, while the office of the President, tax officials, and judges and magistrates were viewed as the least corrupt in that order.

4.3.2 Perceptions of Government Effectiveness in Zambia

This section presents the findings of the perceptions Zambians have about the effectiveness of the government. *Table 2* provides a summary of responses to the question: "How well or badly would you say the current government is handling the following matters?" *Table 2* presents the number of respondents, expressed as percentages that indicated very badly, fairly badly, fairly well, and very well to each matter.

Table 2 Perceptions of the effectiveness of the Zambian Government

	How the government is handling matters (%)			
	Very Badly	**Fairly Badly**	**Fairly Well**	**Very Well**
Managing economy	9.6	24.8	51.7	10.6
Improving living standards of poor	24.5	30.3	37.5	5.9
Creating jobs	32.3	32.9	27.3	4.7
Keeping prices down	29.4	35.3	27.8	5.6
Narrowing income gap	32.3	33.9	24.7	3.9
Reducing crime	16.1	28.3	43.6	8.9
Improving basic health services	14.5	25.3	50.1	9.1
Addressing educational needs	15.8	23.2	50.3	9.5
Improving water and sanitation services	31.6	26.1	33	6.6
Ensuring enough to eat	32.4	31.7	29.8	3.9
Fighting corruption	16.9	24.6	39.5	10.9
Resolving violent conflict between communities	6.8	18.3	47.1	11.8
Maintaining roads and bridges	26.8	22.4	36.1	13.7
Providing reliable electric supply	33.1	25.2	30.3	8.3
Empowering women	17.3	18.7	41.3	14

Source: Afrobarometer Round 5 Survey

Table 2 shows that the matter the government was found to have handled very well was empowering women. 14 per cent of respondents indicated that the government had done very

well in handling women empowerment. This was followed by 13.7 per cent who indicated that the government had handled the maintenance of roads and bridges very well, while 11.8 per cent of respondents believed the government had done very well in resolving violent conflict between communities.

Conversely, *Table 2* shows that about a third, or 33 per cent, indicated that the government had done very badly in providing reliable electric supply. On the basis of the evidence in *Table 2*, the government was also found to have done very badly in ensuring enough to eat for Zambians (32.4 per cent). Further, the government was perceived to have done very badly in creating jobs (32.3 per cent) and narrowing income gaps (32.3 per cent), while 31.6 per cent indicated that the government had done very badly in improving water and sanitation services.

From *Table 2*, it was also possible to classify the performance of the Zambian government in handling specific matters as either 'badly' or 'well'. This was done by adding the percentage of Zambians who believed the government had done very badly and fairly badly on one hand, and those that felt the government had done fairly well or very well on the other. These results show that the top five areas that the government was perceived to have handled well were: managing the economy (62.3 per cent), addressing educational needs (59.8 per cent), improving basic health services (59.2 per cent), resolving violent conflict between communities (58.9 per cent), and reducing crime (52.5 per cent).

On the other hand, the five areas that the government was perceived to have handled worst were: narrowing income gaps (66.2 per cent), creating jobs (65.2 per cent), keeping prices down (64.7 per cent), ensuring enough to eat (64.1 per cent) and providing reliable electric supply (58.3 per cent).

The results further show that more than half the population believed the government had handled seven of the matters well. Similarly, more than half the population indicated that the government had handled another seven matters badly. It is also worth noting that the matters the government was perceived to have handled well mostly related to areas closely associated with the macro economy while those they were perceived to have handled badly were more closely associated with challenges at the household level.

4.3.3 Perceptions of Rule of Law in Zambia

Table 3 highlights the extent to which Zambians trust the institutions and officials entrusted with upholding the law. The summary presented shows the number of respondents, expressed as percentages, to the question: "How much do you trust each of the following?" The responses ranged from not at all to just a little, somewhat, and a lot.

Table 3 Trust in Rule of Law institutions

	Level of trust (%)			
	Not at all	Just a little	Somewhat	A lot
President	9.8	23.3	22.8	42.7
Parliament/National Assembly	15.1	29.2	24.8	28.7
National Electoral Commission	12	27	22.2	33.4
Tax Department	13.6	29.3	20.9	23.7
Local Government Council	22.6	33.3	21.7	20
Ruling Party	12	29	26.2	30.8
Police	21.8	29	21.5	27.3
Army	8	16.7	23.9	50.4
Courts of Law	10	24.1	23.9	38.1

Source: Afrobarometer Round 5 Survey

Table 3 demonstrates that there was a relatively high degree of trust in most of the institutions charged with upholding the rule of law in Zambia. For example, 72.2 per cent of the respondents indicated that they trusted the Army somewhat or a lot. About two thirds, 65.5 per cent, trusted the President somewhat or a lot. *Table 3* also shows that only the Police (48.8 per cent), the Tax Department (44.6 per cent) and the Local Government Council (41.6 per cent) were trusted somewhat or a lot by less than half of all respondents.

The evidence in *Table 3* further highlights that the Local Government Council were the least trusted, with a total of 55.9 per cent of the respondents indicating that they trusted them not at all or just a little. On the contrary the Army were the most trusted. By and large, the results indicate

that more than half of all Zambians trusted six of the nine institutions somewhat or a lot. This also demonstrates that more than half of all Zambians trusted most of the institutions that are central to upholding the rule of law.

4.3.4 Perceptions of Voice and Accountability in Zambia

This section presents the findings of the perceptions that Zambian citizens have toward democratic accountability with specific regard to the extent of democracy, satisfaction with democracy, and the freeness and fairness of the last election of 20 September 2011.

Table 4 Perceptions of Voice and Accountability in Zambia

	Satisfaction with democracy (%)		Freeness and fairness of the last election (%)		Extent of democracy (%)
Not at all satisfied	5.4	Not free and fair	5.3	Not a democracy	2.3
Not very satisfied	25	Free and fair with major problems	6.5	A democracy with major problems	20.3
Fairly satisfied	45.1	Free and fair with minor problems	23.1	A democracy, but with minor problems	48.6
Very satisfied	22.8	Completely free and fair	62.4	A full democracy	27.3

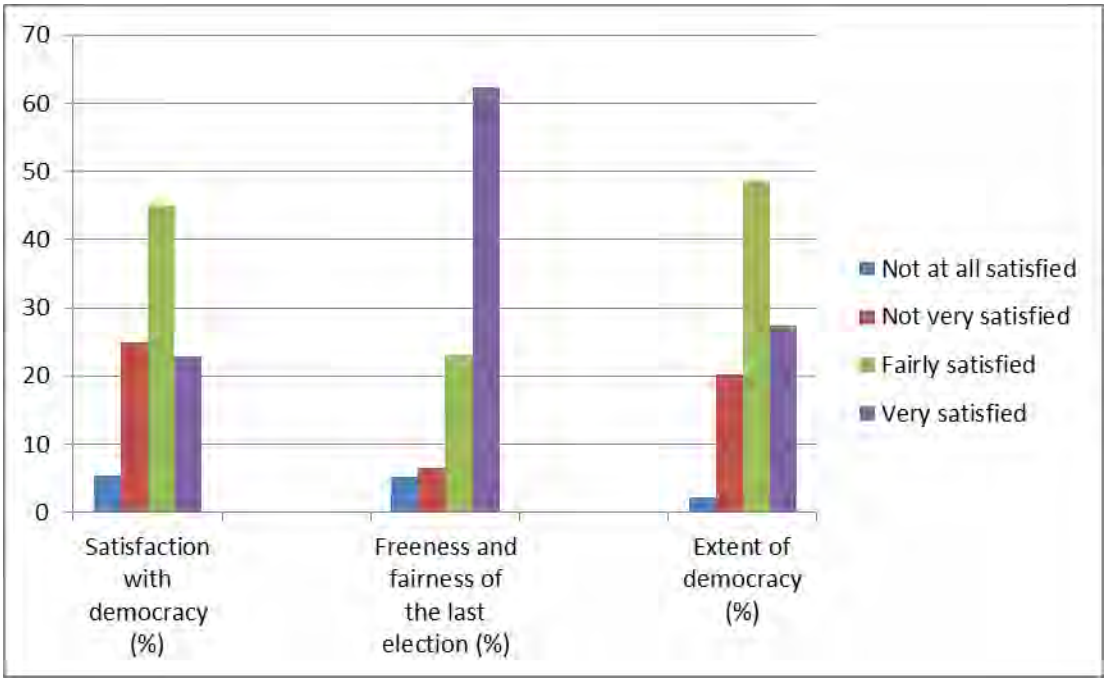
Source: Afrobarometer Round 5 Survey

Table 4 shows that most Zambians have confidence in democracy and democratic processes. The results show that only 2.3 per cent did not believe Zambia was a democracy. *Table 4* also shows that 48.6 per cent stated that Zambia was a democracy, albeit with minor problems, while 27.3 per cent stated that it was a full democracy. Similarly, up to as many as 67.9 per cent of the population were either fairly satisfied or very satisfied with democracy in Zambia. The findings

presented in *Table 4* also highlight that 23.1 per cent of the respondents indicated that the last general elections held in September 2011 were free and fair with minor problems while 62.4 per cent indicated that the elections were completely fair. This shows that an overwhelming 85.5 per cent of respondents were satisfied with the electoral process in Zambia.

In order to provide a clearer representation for the results of perceptions of Zambian citizens about Voice and Accountability, Figure 3 provides a graphical display of the results in *Table 4*.

Figure 3 Perceptions of Voice and Accountability in Zambia



Source: Afrobarometer Round 5 Survey

4.4 Lived Poverty in Zambia

This section reports the findings of the extent of lived poverty amongst Zambian citizens. *Table 5* below shows the percentage of respondents who indicated that they had gone without basic necessities never, just once or twice, several times, many times or always in the 12 months preceding the survey. The basic necessities referred to are: enough food to eat, clean water, medical care, cooking fuel and cash income.

Table 5 Rating of Present Living Conditions in Zambia

	Number of times went without access to basic necessity (%)				
	Never	Just once or twice	Several times	Many times	Always
Food	51.6	21.4	16.9	9.4	0.6
Water	45.9	11.7	17.9	14.9	9.7
Medical Care	42.1	14.9	21.3	17.5	3.8
Cooking Fuel	60.7	16.2	14.1	6.7	2
Cash Income	18.3	14.2	25.3	33.5	8.4

Source: Afrobarometer Round 5 Survey

Table 5 shows that more than half the population, or close to 52 per cent, had consistent access to food. The results also show that just over 48 per cent of the population experienced some kind of food insecurity. A slightly smaller proportion of the population, about 46 per cent, had access to water during the entire period under consideration. However, around 54 per cent reported having gone without water at some point, with close to 10 per cent of the population having gone without water the whole time.

With regard to medical care, the results show that just over 42 per cent had access to medical care throughout the year preceding the survey. On the other hand, close to 58 per cent had been affected by a lack of access to medical care. *Table 5* also shows that close to 61 per cent of respondents were not afflicted by a lack of access to cooking fuel. Despite this, at least 39 per cent of the population had been afflicted by lack of access to cooking fuel. Further, *Table 5* shows that only 18 per cent of the population reported having access to cash income throughout the year preceding the survey. On the contrary, up to as many as 81 per cent of the population had been affected by lack of access to cash income, with as many as eight per cent having gone without cash income the whole time.

From *Table 5*, it is evident that more than half the population had uninterrupted access to food and cooking fuel. With regard to severity measured by the proportion of the population that went without essential necessities several times, many times or all the time, *Table 5* shows that more

than two thirds of the population, or 67 per cent, were severely affected by lack of cash income. The lack of access to cash income was more severe than access to cooking fuel and food, whose severity stood at 22.8 per cent and 26.9 per cent respectively, while the severity of lack of access to water and medical care stood at just over 42 per cent for both items.

4.5 Association between WGI and HDI

This section presents the findings of the correlations between HDI and the WGI measures that concern governance. The evidence shows a strong positive correlation between HDI and Control of Corruption, Government Effectiveness and Voice and Accountability. *Table 6* also shows that the results of the correlation between HDI and Rule of Law were statistically non-significant.

Table 6 Correlations between WGI and HDI

	Correlations with HDI				
	N	Pearson correlation R	R^2	Covariation (%)	Test of Significance
Control of Corruption	11	.792**	.627	62.7	.004
Government Effectiveness	11	.652*	.425	42.5	.030
Rule of Law	11	.281	.079	7.9	.402
Voice and Accountability	11	.625*	.391	39.1	.040

* Correlation is significant at the 0.05 level (2-tailed) ** Correlation is significant at the 0.01 level

4.5.1 Control of corruption and HDI

Table 6 shows that the correlation coefficient for Control of Corruption and HDI was 0.792. This result signified a strong positive correlation. Further, it indicated that increases in Control of Corruption were accompanied by increases in HDI. The correlation was significant at the 0.01 level and the result could not be attributed to a chance occurrence. By calculating the shared variance between Control of Corruption and HDI, Table 6 shows that 62.7 per cent of the variation in Control of Corruption was shared with HDI. Therefore, 62.7 per cent of the changes in HDI could be attributed to changes in Control of Corruption.

4.5.2 Government Effectiveness and HDI

The results in *Table 6* show that the correlation coefficient for Government Effectiveness and HDI was 0.652. This result signified a strong positive correlation and shows that increases in Government Effectiveness were accompanied by increases in HDI. The correlation was significant at the 0.05 level and the result could not be attributed to a chance occurrence. By calculating the shared variance it was found that 42.5 per cent of the variation in Government Effectiveness was shared with HDI. This suggests that 42.5 per cent of the changes in HDI could be explained by changes in Government Effectiveness.

4.5.3 Rule of Law and HDI

The correlation coefficient for Rule of Law and HDI was 0.281 as shown in *Table 6*. The evidence indicates that there was a positive correlation between Rule of Law and HDI. This demonstrates that increases in Rule of Law were accompanied by increases in HDI. This study also sought to establish the variance shared between Rule of Law and HDI. In this respect, Table 6 shows that 7.9 per cent of the variation in Rule of Law was shared with HDI. However, this result was statistically non-significant. Therefore, this result could be attributed to a chance occurrence. On this basis, changes in HDI could not be attributed to changes in Rule of Law.

4.5.4 Voice and Accountability and HDI

This study further set out to establish the association between Voice and Accountability and HDI. The results of this correlation analysis are presented in *Table 6*. The correlation coefficient for Voice and Accountability and HDI was 0.625. This result showed that there was a strong positive correlation between Voice and Accountability and HDI. Therefore, the evidence shows that increases in Voice and Accountability were accompanied by increases in HDI. The correlation was significant at the 0.05 level and the result could not be attributed to a chance occurrence. By calculating the covariance between Voice and Accountability and HDI, it was found that 39.1 per cent of the variation in Voice and Accountability was shared with HDI. Therefore 39.1 per cent of the changes in HDI could be explained by changes in Voice and Accountability.

4.6 Association between Perceptions of Governance and Lived Poverty

This section presents the findings of the association between the perceptions that Zambians had about aspects concerning governance and their living conditions. The evidence is presented in *Table 7* and it shows a negative correlation between living conditions and Government Effectiveness, Rule of Law and Voice and Accountability. While the correlation between Lived Poverty and Control of Corruption is positive, the evidence shows that the results are statistically non-significant.

Table 7 Correlations between Perceptions of Governance and Living Conditions

	Correlations with Lived Poverty				
	N	Pearson correlation R	R^2	Covariation (%)	Test of Significance
Control of Corruption	958	.063	.0397	3.97	.053
Government Effectiveness	837	-.312**	.097	9.7	.000
Rule of Law	979	-.093**	.086	8.6	.004
Voice and Accountability	1138	-.100**	.001	0.1	.001

* Correlation is significant at the 0.05 level (2-tailed) ** Correlation is significant at the 0.01 level

4.6.1 Perceptions of Corruption and Lived Poverty

The results in *Table 7* show that the correlation coefficient for Control of Corruption and Lived Poverty was 0.063. The correlation coefficient was positive, suggesting that lower scores on the corruption perception index, which correspond to low perceptions of corruption, were associated with low values on the Lived Poverty Index which signified low scores of lived poverty. Furthermore, the results show that the shared variance between perceptions of corruption and lived poverty was 3.97 per cent. However, the evidence in *Table 7* shows that the results were statistically non-significant. This demonstrates that the results could be attributed to a chance occurrence.

4.6.2 Perceptions of Government Effectiveness and Lived Poverty

The results in *Table 7* show that the correlation coefficient for perceptions of government effectiveness and lived poverty was -0.312. This result was significant at the 0.01 significance level. This also indicates that there was a negative correlation between perceptions of government effectiveness and lived poverty. This further demonstrates that low values on the perceptions of government effectiveness (which signified perceptions of low government effectiveness), were associated with high values of lived poverty which signified higher incidences of lived poverty. *Table 7* also shows that the shared variance between perceptions of government effectiveness and lived poverty was 9.7 per cent. This indicates that there is a very small variance shared between perceptions of government effectiveness and lived poverty. However, the results suggest that perceptions of poor government effectiveness were associated with higher incidences of lived poverty.

4.6.3 Perceptions of Rule of Law and Lived Poverty

The correlation coefficient for perceptions of the rule of law and lived poverty was -0.093. The results in *Table 7* suggest that there was a negative correlation between perceptions about the rule of law and lived poverty. This demonstrates that low levels of trust in institutions associated with the rule of law were associated with higher levels in lived poverty. *Table 7* also indicates that the shared variance between perceptions of rule of law and lived poverty was 8.6 per cent. The result showed that there was a negligible amount of variance shared between the two variables. These results were significant at the one per cent level and therefore could not be attributed to a chance occurrence.

4.6.4 Perceptions of Voice and Accountability and Lived Poverty

This study further set out to establish the association between perceptions about democratic accountability and lived poverty. The results of this correlation analysis are presented in *Table 7*. The correlation coefficient for the measure of Voice and Accountability and lived poverty was -0.100. This result showed that there was a negative correlation between the measure of Voice and Accountability and lived poverty. Therefore, the evidence shows that low scores on the measure of voice and accountability (low satisfaction with democracy and democratic processes) were associated with high scores on the lived poverty index (high poverty). The correlation was significant at the 0.01 level and the result could not be attributed to a chance occurrence. By

calculating the covariance between the measure of Voice and Accountability and lived poverty, it was found that only 0.1 per cent of the variation in the measure of Voice and Accountability was shared with lived poverty. Therefore, the results demonstrate that perceptions of higher levels of democracy and democratic processes were associated with lower levels of lived poverty.

The results presented in this chapter demonstrate that most indicators and perceptions of governance were associated with measures of socioeconomic development. These results provide statistical evidence of an association between measures concerning governance and of socioeconomic development. It is therefore necessary to discuss the results to uncover the relationships between the performance of indicators and perceptions of governance and development with political and economic reforms that can be associated with the observed results. The discussion is provided in the chapter that follows. Methodological concerns relating to the indicators used are also discussed.

CHAPTER 5

DISCUSSION

This chapter discusses the research questions by relating them to the findings and literature on governance and development. The chapter further discusses factors that may explain some of the changes in matters relating to governance and socioeconomic development in Zambia. It also reflects on the indicators and methods that were used in the study.

5.1 Governance in Zambia

This study reveals that between 1996 and 2012, Zambia's indicators of governance fell into a category associated with poor governance. This shows that while there were improvements in the scores of the indicators, Zambia had not yet attained levels associated with "good governance". It is instructive to note that by the early 1990s, the political and economic challenges that Zambia was faced with could be linked to reforms introduced by governments since attaining independence in 1964 as the discussion in this chapter will highlight.

According to Fundanga and Mwaba (1997: 6), at the time of its independence from British colonial rule in 1964, "Zambia was a fairly prosperous economy with a well established private sector in an open market oriented economy dominated mainly by expatriate business interests, multinational corporations and commercial farmers". Between 1964 and 1991, Zambia went through economic and political reforms that had implications on the economy.

On an economic front, state intervention in the economy led to the nationalization of private owned companies and mines during the late 1960s (Fundanga and Mwaba, 1997: 6). Due to these economic reforms, the Zambian economy was increasingly guided by the state and this was evidenced by the proliferation of parastatals and close regulation by the state of the country's mineral resources, particularly the mainstay of the economy, copper. However, the sustainability of the state to play a lead role in guiding the economy came under considerable strain during the mid-1970s with declines in the international price for copper (Craig, 1999: 1). The fall in copper

prices precipitated a decline in Zambian Government revenues and adversely affected the country's economy (Craig, 1999: 65). It is therefore not surprising that by the end of the 1970s, there were considerable increases in poverty.

On the political front, the United National Independence Party (UNIP) government of President Kenneth Kaunda that had ruled since independence announced a set of political reforms that led to the introduction of a one party state. The one party state from 1973 onwards gave rise to an authoritarian system of government. As a result, power was increasingly concentrated in Kaunda's hands.

By the end of the 1980s, there was a strong challenge to Kaunda's rule from trade unions, business leaders, church bodies, academics and student movements (Rakner, 2003). As a result, Kaunda was forced by a population that had become disillusioned with the political and economic governance of the country into holding multiparty democratic elections. The elections in 1991 ushered in the Movement for Multi-Party Democracy (MMD) which reintroduced multiparty democracy and implemented a neoliberal economic reform programme. Under the aegis of the IMF and the World Bank, the MMD government adopted Structural Adjustment Programmes (SAPs) that were aimed at addressing the underlying structural problems of the Zambian economy which included a large and wasteful state sector, inefficient agricultural production and an unsustainable policy of food subsidies (Rakner, 2003).

The events discussed above describe the major economic and political reforms that preceded the 1990s when the first WGI scores were calculated. They also provide a brief insight into some of the factors that may have contributed to the performance of governance and socioeconomic indicators in Zambia during the 1990s. Further, the discussion makes it possible to establish a link between the political and economic history of Zambia and the findings of this study.

The evidence from this study shows that in 1996, Zambia scored the poorest on Government Effectiveness of the four indicators relating to governance reported by the WGI. Given that the SAPs that were being implemented by the MMD government during the 1990s were characterised by austerity measures which included reduced government spending and the

elimination of food and agricultural subsidies, it is likely that these measures were directly related to perceptions about the effectiveness of the government in delivering social services.

The perceptions that Zambians had about the effectiveness of the government in managing social and economic matters shows that although the government was perceived to be effective in addressing broader economic concerns, it was not as effective in addressing matters that had a direct impact on access to income and the cost of living for many Zambians. This appears to confirm the position taken by Hutchinson and Schumacher (1995) who suggested that governments in developing countries have an important responsibility of improving the human conditions of their citizens.

This study also reveals that Zambia scored poorly on Control of Corruption in 1996. Interestingly, it has been reported that corruption became endemic in Zambia during the 1990s (Yezi et al, 2013). Round 5 of Afrobarometer provides evidence that a large percentage of Zambians believed that some, most or all officials holding public office were engaged in corruption in 2012. This was at a time when the WGI showed that Zambia had a score of -0.361 on Control of Corruption. This indicates that the low WGI score on Control of Corruption was confirmed by high perceptions of corruption amongst officials holding public office. Despite this, there was a decline in the perceptions of corruption in Zambia in the years after 2002. It is very likely that the change in government in 2002 contributed to changes in perceptions of corruption in Zambia. The presidency of Levy Mwanawasa is on record of having taken a firm stance to address corruption (Yezi et al, 2013). It is not surprising then that in the years after 2003, the WGI Control of Corruption score gradually improved indicating that the perceptions that corruption was being mitigated were higher in the Mwanawasa presidency after 2002 than they were during the presidency of Frederick Chiluba between 1991 and 2001.

Between 1996 and 2012, the WGI Rule of Law score improved from -0.645 to -0.403. Of the four WGI scores, this presented the smallest amount of change. Also in 2012, Round 5 of Afrobarometer showed that more than half of all Zambians had trust in institutions that were critical to upholding the rule of law. These institutions included the courts of law and the national assembly. It is interesting to note that there were generally high levels of trust in institutions tasked with either creating laws or enforcing them at a time when the WGI scores

showed that there had been improvements in Rule of Law. It is possible that the trust in these institutions could also be associated with the perceptions that corruption was reducing which coincided with the efforts to rein in corruption during the presidency of Levy Mwanawasa.

The WGI have consistently shown that Zambia performed best on Voice and Accountability of the four indicators of matters relating to governance addressed in this study. The political history of Zambia appears to provide some insight into why this might be the case. The political turn of events in 1991 that led to the reintroduction of multiparty politics after close to three decades of one party rule meant that Zambia had made significant improvements in embracing democracy. More than three quarters of Zambians also expressed confidence in the country's democracy in 2012 and in the elections held in 2011.

The discussion above shows that the changes in indicators and perceptions of citizens toward governance could be attributed, at least in part, to political and economic reforms in the country. The study also shows that all four indicators concerning governance took similar trajectories. This study therefore takes the position that matters such as corruption, rule of law, democratic accountability and the effectiveness of governments affect each other. Given that governance involves the general exercise of authority, indicators and perceptions about governance provide useful guides of the extent to which the political leadership can act in the interests of citizens and effectively manage economic affairs. In Zambia's case, it is evident from the evidence that during the 1990s the political leadership was seen to be exercising its authority poorly at a time when the development indicators showed that levels of socioeconomic development were very poor.

While it is probable that changes in political leadership may have contributed to changes in indicators relating to governance, the increase in the number of individual indicators used to compute the WGI may have also contributed to these changes between 1996 and 2012. Related to this, the individual indicators that were relied on to compute the WGI were continuously broadened to include both objective and subjective measures for their indicators. This suggests that over the years the WGI were not necessarily based on the same description. It further indicates that what the WGI were measuring may not have been the same thing during the fifteen years. This therefore means that the results that were obtained from one year to the next could

also have been a reflection of the changes in how the WGI were being measured and what exactly they were measuring. However, this study could not ascertain the extent to which methodological changes to the WGI contributed to the observed changes in the indictors of matters relating to governance. What remained central to this study was to identify statistics that could be analysed to investigate whether changes in indicators of matters concerning governance were associated with changes in measures of socioeconomic development in Zambia.

5.2 Socioeconomic Development in Zambia

In 2012, Zambia had an HDI value of 0. 448 and this placed the country in the UNDP's low human development category (UNDP, 2013). Zambia's 2012 HDI of 0.448 was below the average of 0.466 for countries in the low human development group and below the average of 0.475 for countries in Sub-Saharan Africa (UNDP, 2013). Zambia was also ranked 163rd out of 194 countries and territories in terms of its HDI (UNDP, 2013). Clearly, the levels of socioeconomic development in Zambia were low going by the 2012 HDI values despite improvements since the early 2000s.

In view of the above, it is necessary to draw attention to the trends in Zambia's development in the decades leading to 1990. According to the UNDP (2013) Zambia had an HDI value of 0.405 in 1980. By 1990, the value had dropped to 0.398 and continued to decline throughout the 1990s until 2000 when the HDI returned to 1990 levels (UNDP, 2013). As the evidence shows in this study, the HDI continued to rise in the years after 2000 and peaked at 0.448 in 2012. A further investigation into the changes in HDI reveals that there were sustained increases in the expected years of schooling and in the means years of schooling between 1980 and 2012 (UNDP, 2013). However, there was a decline in life expectancy at birth from 52 years in 1980 to 49.4 years in 2012 (UNDP, 2013). The decline in life expectancy continued throughout the 1980s and 1990s so much that by 2000, life expectancy at birth was only 42 years (UNDP, 2013). It was only after 2005 that a reversal in the negative trends was witnessed which saw the life expectancy rise again towards the 1980 levels. Further investigations show that Zambia's GNI per capita continued to decline every year from the US$ 1,424 value in 1980 to only US$ 0,959 in 1995 (UNDP, 2013). By the late 1990s, GNI per capita began to increase gradually every year and reached US$ 1,358 in 2012 (UNDP, 2013).

The changes in Zambia's HDI can clearly be attributed to significant declines in life expectancy at birth and to reductions in GNI per capita. The HIV and AIDS pandemic has contributed greatly to the decline in life expectancy. Projections of life expectancy in Zambia have shown that HIV and AIDS was found to have reduced life expectancy by four years in 2000 and the figure was projected to rise to eight years by 2010 (UNDP, 2007: 12). The HIV and AIDS crisis also put pressure on the Zambian government to devote more financial resources to fighting the pandemic at the expense of addressing other diseases. All this was happening at a time when government spending on essential services such as healthcare had been significantly reduced due to the implementation of austerity measures. It would be useful in this regard to establish the extent to which SAPs affected the Zambian government's ability to address HIV and AIDS during the 1990s. However, this was not a focus for this study but could prove useful for future studies on governance and socioeconomic development in Zambia.

As noted above, the decline in per capita income also contributed to the decline in human development during the 1980s and 1990s. By the early 1990s, Zambia was facing a balance of payments deficit as a result of a drop in export revenue and a fiscal deficit as a result of a drop in mineral tax revenue (Whitworth, 2013: 20). As a consequence, national income drastically reduced and inevitably led to a decline in GNI per capita. Because GNI per capita is viewed as a proxy for the typical person's command over resources that they can use to acquire goods and services, and save for the future (Klugman et al 2010), the decline in Zambia's GNI undoubtedly contributed to a significant drop in disposable incomes for most Zambians. This also exacerbated poverty levels and led to a reduction in human development.

This study reveals that Zambia's HDI started to rise in the late 2000s after the continuous decline of the 1990s and early 2000s. Between 2005 and 2012, there were consistent increases in life expectancy at birth, expected years of schooling, mean years of schooling and GNI per capita (UNDP, 2013). Not surprisingly, Zambia's HDI value made gains each year during this period. It is evident that the gains in HDI were a reflection of improvements in healthcare, education and national income. By extension, these improvements could also be attributed to economic factors. Whitworth (2013) argues that Zambia's economic recovery became evident in 1999 following privatisation of the copper mines and the influx of new investments, as advocated for by SAPs. One of the most significant contributors to Zambia's economic recovery, however, was the rapid

rebound in copper prices in 2003, which was in large part due to increased demand for natural resources from emerging economies such as China (Whitworth, 2013). This also meant that national revenues began to increase in the early 2000s and contributed to improving the balance of payments and to reducing the fiscal deficit (Whitworth, 2013). Another important factor to the economic recovery was the reduction in debt levels. This was achieved primarily through the completion of the Highly Indebted Poor Countries (HIPC) initiative in 2005 (Whitworth, 2013). Zambia had joined the HIPC scheme in 2000 in an attempt to receive foreign debt relief by adhering to a set of policy reforms agreed to with its creditors (Whitworth, 2013).

In as much as the changes in HDI can be accounted for mostly by the changes in life expectancy and GNI per capita, it is also true that the HDI has been subjected to theoretical and methodological adjustments. These include the changes in indicators used and the fact that the UNDP has made revisions to HDI values for previous years. Added to this is that some of the indictors that are used in calculating HDI are provided by sources, such as the Central Statistical Office in Zambia, that have not been scrutinized in this study. Despite this, it is clear that the updated HDI values present an attempt by the UNDP to give the most accurate measure of human development based on the most reliable sources of data. For this reason, it sensible to conclude that the changes in Zambia's HDI are a useful indication of the trends in Zambia's life expectancy, mean years of schooling, expected years of schooling and GNI per capita. Because HDI was used as a measure of socioeconomic development, it can also be concluded that the trends in Zambia's socioeconomic development were in part influenced by political and economic factors from the 1970s to the 2000s.

When compared to trends in other African countries, it was established that Zambia was one of five countries to have had a reduction in lived poverty during the decade 2002 to 2012 (Dulani et al 2013: 1). In 2012, the mean score of lived poverty across 34 countries was 1.26 (on a scale of 0 to 4), where larger scores were associated with high incidences of lived poverty (Dulani et al, 2013: 9). Zambia had a lived poverty score of 1.23 which indicated that the incidence of poverty was slightly less severe than the average for the 34 countries (Dulani et al, 2013: 9). In addition, Zambia ranked 13th out of the 34 countries (Dulani et al, 2013: 9).

In light of these findings, it is observable that improvements in Zambia's HDI value were accompanied by reductions in lived poverty after 2000. This proves that there have been positive gains made in Zambia's socioeconomic development particularly in the years after 2000. Dulani et al (2013: 1) suggest that the reduction in lived poverty in Zambia can be attributed to economic growth coupled with investments in infrastructure and social services. While this is the case, it is also recognised that the reduction in lived poverty is masked by the fact that the growth in Zambia's economy has not trickled down to the poorest people (Dulani et al, 2013: 1). This has been corroborated by this study which has shown that more than three quarters of the population have experienced challenges in accessing cash income.

The foregoing discussion provides evidence that periods of low socioeconomic development were accompanied by periods during which indicators and perceptions of governance were also low. While this study does not argue that governance reform is responsible for development, it is necessary to discuss the association between indicators and perceptions of governance and measures of socioeconomic development to understand the extent to which changes in socioeconomic development can be predicted on the basis of knowledge about indicators and perceptions of governance.

5.3 Association between Measures of Governance and Measures of Socioeconomic Development in Zambia

The correlations between the four WGI measures and HDI showed that changes in Control of Corruption, Government Effectiveness and Voice and Accountability were all associated with changes in HDI. Changes in Rule of Law were not associated with changes in HDI. The findings of this study further show that there was a correlation between Zambian citizens' perceptions about Government Effectiveness, Rule of Law and Voice and Accountability with the incidence of lived poverty. On the other hand, the correlation between perceptions about corruption and their living conditions were statistically non-significant.

5.3.1 The Association between Control of Corruption and Socioeconomic Development in Zambia

The correlation between the WGI measure of Control of Corruption and HDI not only shows that there was a strong positive correlation between the two but that this result was the strongest correlation between the four indicators relating to governance and HDI. The covariance also revealed that 62.7 per cent of changes in HDI were associated with corruption.

This result confirms the findings in Ackay's study (2006) which found that increases in measures of corruption were associated with reductions in human development. The evidence shows that perceptions of corruption were on the rise in Zambia during the 1990s and that this coincided with a decline in life expectancy and GNI per capita. While the decline in life expectancy can be attributed to the impact of HIV/AIDS, the decline in GNI per capita and the concomitant increases in poverty in Zambia during the 1990s could have been partly due to the effects of corruption.

Interestingly, the correlation between the perceptions that Zambians had about corruption and their living conditions proved to be statistically non-significant. A closer look at these results reveals a number of facts. First, it has been established that between 2002 and 2012, Zambia was one of only five countries that recorded a reduction in the incidence of lived poverty. While Zambians still believed that corruption existed in most public institutions, the fact that they indicated that the levels of lived poverty were declining demonstrates that lived poverty was on the decrease despite the fact that corruption was perceived to be a problem. This helps to understand why the perceptions about corruption were not correlated with Lived Poverty.

The second point that this study brings to attention is that the association between Control of Corruption and HDI on one hand and the association between citizens' perceptions about corruption and their living conditions on the other hand, presented two different analyses that need to be understood separately. In the former, the indices that were used to compute Control of Corruption included both objectives and subjective measures of corruption that included data from anti-corruption and accounting institutions that attempted to quantify the monetary extent of corruption. This also meant that this correlation test provided an indication of the extent to which distortions in government spending were associated with the provision of social services

such as education and healthcare as well as on income inequality. In the latter correlation test, the measure was based on perceptions about corruption in public institutions which were then tested against experiences of poverty. It is also helpful to consider that the latter correlation unlike the first was not based on time series data and this could also have contributed to the discrepancy in these findings.

On the basis of the foregoing analysis, it is possible to conclude that over an extended period over time, corruption can be associated with reductions in the level of human development. Furthermore, it is reasonable to conclude that improvements in the rating of living conditions among Zambians in the future are more likely to be achieved alongside perceptions of corruption reducing.

5.3.2 The Association between Government Effectiveness and Socioeconomic Development in Zambia

According to the UNDP, the role of the government is important for promoting people centred development through the provision of infrastructure, redistribution of income and creating employment among others (Hutchinson and Schumacher, 1995). The association between measures of Government Effectiveness and of socioeconomic development was confirmed in this study. The findings show that 42.5 per cent of the changes in HDI were associated with Government Effectiveness. The evidence of this relationship in Zambia is consistent with the evidence uncovered in other countries by Hutchinson and Schumacher (1995) who established that spending on public, merit and economic goods was associated with HDI. As a matter of fact, even the perceptions about the manner in which the government was handling matters was associated with the living conditions of Zambians. This confirms the findings of Sacks and Levi (2010) who established that the effectiveness of governments was associated with food security in 18 African countries.

As noted earlier in this chapter, the Zambian government implemented SAPs during the 1990s which in many ways inhibited the government's ability to invest in physical infrastructure and provide social and economic services such as healthcare and jobs respectively. After Zambia reached the HIPC completion point in 2005, the Zambian government was in a position to invest more in physical infrastructure and social services. This provides a reasonable explanation as to

why improvements in Government Effectiveness in the years after 2000 coincided with improvements in HDI during the same period. It is clear from this study that Zambia's socioeconomic development needs to be underpinned by political leadership that has the ability to address the areas of the economy that citizens have identified as concerns.

5.3.3 The Association between Rule of Law and Socioeconomic Development in Zambia

In both correlation tests run in this study, the coefficients for Rule of Law and the measures of socioeconomic development were statistically significant. Both results showed that positive changes in measures of Rule of Law were associated with positive changes in measures of socioeconomic development. The result for the correlation between the WGI measure for Rule of Law and HDI showed that 7.9 per cent of the changes in HDI were associated with changes in Rule of Law. This result was consistent with the works of Hayek (1963; 1967; 1973) cited in Boettke and Subrick (2003) and Mahoney (2000) which found that countries practicing common law influenced by liberal democratic values were more likely to have greater real per capita GDP growth. This also appears to confirm the findings by Boettke and Subrick (2003) that found that Rule of Law had an indirect impact on measures of human well-being such as life expectancy, infant mortality, primary and secondary education and illiteracy. According to Boettke and Subrick (2003), by contributing to economic growth, Rule of Law had an indirect impact on improving human well-being.

The correlation between Rule of Law and HDI in Zambia serves to confirm that there is an association between measures of the effectiveness of institutions that are central to the legal system and human development outcomes. Zambia turned to a liberal democratic system in the early 1990s and this study reveals that there were improvements in Rule of Law in the years after 2000 which were also accompanied by improvements in HDI. Undoubtedly, this confirms that the growth in Zambia's liberal democracy since the 1990s has contributed to changes in socioeconomic development.

The study also shows that high levels of trust in institutions such as the judiciary and parliament were associated with low incidences of lived poverty. This confirms the arguments made by Kaufmann et al (2010) who suggested that the confidence that citizens have in the rules of society and the quality of contract enforcement contributed to improved human well-being. It is

reasonable to conclude that the fact that Zambians had considerably high levels of confidence in institutions that are crucial to implementing laws and contract enforcement implies that they had confidence that their social and economic interests could be protected. This further shows that Zambia's liberal democracy had yielded positive results not only in terms of economic performance but also in terms of strengthening legal systems. This study reveals that this was more noticeable in the early 2000s around the period when the government took steps to address corruption.

5.3.4 The Association between Voice and Accountability and Socioeconomic Development in Zambia

This study has revealed that higher levels in measures of Voice and Accountability were associated with improvements in measures of socioeconomic development. The WGI measure for Voice and Accountability included indicators that collected data on perceptions about democracy and freedoms of association and the media. This shows that statistical evidence of being a liberal democracy is associated with improvements in socioeconomic development measures.

With regard to Zambia, the fact that six general elections have been held since 1991 highlights efforts to enhance the levels of democracy. This is also confirmed by more than three quarters of the population who described Zambia as a full democracy and who also described the last general elections held in 2011 as being free and fair. While this study focused on democratic accountability, it is possible that the extent of Zambia's democracy could also have been a reflection of freedoms of associations and the media.

The association between improvements in measures of Voice and Accountability and socioeconomic development in Zambia confirms Bird's (2008) findings that accountable and legitimate governments are more likely to be successful at raising revenues for social and economic spending. It follows, therefore, that liberal democratic systems are more likely to thrive in environments where positive socioeconomic gains are being made. Since 1996, Zambia's economy and democracy have taken similar trajectories. Though it cannot be inferred that Voice and Accountability leads to improved human development and reductions in the

incidence of poverty it is evident that high levels in indicators of Voice and Accountability coincided with improvements in socioeconomic development in Zambia.

The discussion presented in this chapter shows that measures of matters concerning governance such as Control of Corruption, Government Effectiveness, Rule of Law and Voice and Accountability were associated with changes in measures of socioeconomic development. The discussion also highlighted that changes in the measures of socioeconomic development could be predicted on the basis of knowledge about changes in the measures concerning governance. This also shows that the extent to which the political leadership in Zambia acts to improve institutions of governance and implement effective policies can contribute to improvements in the living conditions among citizens. The next chapter therefore provides a summary of the study and demonstrates why debates regarding governance and development are important for a poor country like Zambia.

CHAPTER 6

CONCLUSION

6.1 Summary

Good governance and governance are terms that are now embedded in development theory. This study has confirmed this by showing that low levels of socioeconomic development are associated with low perceptions of governance and poor scores on indicators concerning governance in Zambia. The evidence from this study shows that perceptions that Zambian citizens have about state institutions and the capacity of the political leadership to formulate and implement economic policies provide a strong indication of how Zambians rate their living conditions. The results further reveal that statistical measures of governance are very useful for predicting changes in measures of socioeconomic development in Zambia.

The knowledge of governance perceptions is therefore very useful for highlighting areas in which the Government is seen to be effective or ineffective. It also shows which of the institutions charged with upholding the rule of law enjoy or do not enjoy the confidence of the public. Coupled with knowledge about perceptions of corruption in key public institutions, this study shows the areas and institutions of governance that need to be reformed while also highlighting aspects of poverty that need to be addressed in order to achieve higher levels of socioeconomic development in Zambia.

Similarly, the satisfaction with democracy and democratic processes amongst Zambians shows that democratic governance and free and fair elections are not only important to most Zambians, but they are also associated with how they rate their living conditions. This suggests a strong sense of belief in certain features of liberal democracy among Zambians and shows that the political leadership in Zambia needs to commit itself and be held accountable to guaranteeing policies and institutions that promote effective governance for the benefit of the citizens.

In as much as this study has relied on WGI survey evidence to provide indicators about governance in Zambia, this study takes the position that WGI data may not be reliable for informing policy decisions on matters relating to governance and development. The study supports the view taken by Thomas (2010) that the Worldwide Governance Indicators provided by Kaufmann et al (2010) are subjective and therefore cannot be relied on to reflect actual changes in governance. However, when used in conjunction with perceptions of governance and living conditions amongst citizens, the WGI can help to provide a more accurate picture of the extent to which country statistics on governance and development reflect the views expressed by citizens.

6.2 Recommendations

Governance requires that citizens and the state should have respect for institutions that govern economic and social interactions. For this reason, it is necessary for the Zambian Government to address challenges in institutions that are charged with controlling corruption and upholding the rule of law. It is evident that a large section of the Zambian public either do not trust or believe there is widespread corruption in the Zambia Police Force. The same holds true for local government councils and government departments. Therefore, it is recommended that the Zambian Government prioritises reforming institutions of governance, including those mentioned above, in an effort to curb corruption and earn the respect of citizens.

The importance of governance to Zambia's development has recently been demonstrated by a process to enact a new constitution that has been ongoing for close to a decade now. This is aimed at providing the Zambians with a constitution that seeks to strengthen democratic processes, including methods of selecting and monitoring leaders. As at March 2014, the constitution has not been released prompting concerns that matters relating to governance will not be addressed adequately in its absence. Against this background, it is recommended that the Zambian Government follows through with the relevant provisions that will ensure the timely enactment of a constitution that addresses contentious constitutional issues. These include the limiting of Presidential powers, the enactment of a Freedom of Information Bill, the inclusion of social, political and economic rights in the Bill of Rights and other clauses related to the process of electing a president.

Furthermore, the Zambian Government needs to ensure that it adopts economic policies that adequately address the living conditions of Zambians. Lack of access to income has been revealed as a major challenge by a large section of the Zambian population. In this regard, it is advisable for the Zambian Government to adopt policies that support job creation. This should be accompanied by attempts to devise effective ways of redistributing national wealth and at reducing income inequality. Similarly, the Government is implored to ensure that economic policies address the levels of human development in Zambia by acting to make further gains in improving access to education and the quality of healthcare provision.

Institutions such as the World Bank, IMF and NEPAD are also crucial to Zambia's governance and socioeconomic development. It is recommended that the mentioned institutions should make use of data on perceptions of governance and socioeconomic development among Zambians in informing their policy decisions toward Zambia and in their engagement with the Zambian Government. The role of multilateral institutions should also be central to holding the Zambian Government accountable to democratic processes, combating corruption and reforming legal institutions. Lastly, the aforementioned institutions have an important role to play in holding the Government accountable with regard to the effective utilisation of aid, for the benefit of the Zambian people.

Finally, this study takes the position that political leadership is cardinal to the implementation of economic policies and reforming institutions of governance that are necessary for addressing social and economic challenges and the expansion of human capabilities.

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APPENDICES

APPENDIX A

WORLDWIDE GOVERNANCE INDICATORS DATA FOR ZAMBIA

YEAR	INDICATORS			
	Control of Corruption	**Government Effectiveness**	**Rule of Law**	**Voice and Accountability**
1996	-1.02880981	-1.06041546	-0.64542688	-0.39625656
1998	-0.88067165	-0.85642435	-0.52712951	-0.59887387
2000	-0.8523834	-0.85829494	-0.53590967	-0.49187078
2002	-0.93746043	-0.8071887	-0.39413795	-0.36958735
2003	-0.75977601	-0.82251951	-0.47007405	-0.37658885
2004	-0.6798695	-0.81642193	-0.52198726	-0.41247646
2005	-0.78775074	-0.93610067	-0.57597319	-0.4195603
2006	-0.72872065	-0.81318719	-0.59015402	-0.22470376
2007	-0.5710554	-0.71129749	-0.57406701	-0.22493035
2008	-0.47433898	-0.72927626	-0.4397853	-0.18089656
2009	-0.51320912	-0.79114014	-0.48504741	-0.31957663
2010	-0.56542897	-0.83001482	-0.49780607	-0.25570043
2011	-0.47027037	-0.63896442	-0.46860161	-0.19122445
2012	-0.36075468	-0.50167065	-0.40293132	-0.19122445

APPENDIX B

HDI DATA FOR ZAMBIA

Zambia HDI Value	
1996	**-**
1997	**-**
1998	**0.42**
1999	**-**
2000	**0.367**
2001	**-**
2002	**0.389**
2003	**0.394**
2004	**0.401**
2005	**0.399**
2006	**-**
2007	**0.411**
2008	**-**
2009	**0.419**
2010	**0.438**
2011	**0.443**
2012	**0.448**